

JPRS 75776

28 May 1980

# South and East Asia Report

No. 895

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28 May 1980

## SOUTH AND EAST ASIA REPORT

No. 895

## CONTENTS

## INTER-ASIAN AFFAIRS

- Pakistan-India Accord on Trade Signed  
(THE PAKISTAN TIMES, 27 Apr 80) ..... 1

- Briefs  
Philippine Rice to Singapore ..... 2

## BURMA

- Briefs  
British Financial Aid ..... 3  
British Fishery Aid ..... 3

## INDONESIA

- Unified Strategic Command for FRETILIN  
(NO PINTCHA, 1 Apr 80) ..... 4

- Major General Wiyogo Named Commander of Kowilhan I  
(KOMPAS, 19 Mar 80) ..... 7

- Musicians Ask Dutch for Political Asylum  
(SINAR HARAPAN, 27 Mar 80) ..... 9

- Former Followers of Hasan Tiro Released  
(KOMPAS, 22 Mar 80) ..... 11

- Air Force Purchases Swiss Primary Trainers  
(HARIAN UMUM AB, 17 Mar 80) ..... 13

- Briefs  
Foreign Rice Purchases ..... 14

## CONTENTS (Continued)

### KAMPUCHEA

- 'VODK' Battle Reports for February, March, April  
(Voice of Democratic Kampuchea, various dates) ..... 15

February Report  
March, April Report  
13-25 April Report  
FULRO Battle Report  
Further FULRO Battle Reports  
Sisophon Combatants Surpass Plans  
28 April Report  
430 Enemy Casualties  
Central Region Battlefield  
374 Casualties  
423 Casualties Inflicted  
509 Killed, Wounded  
Southwestern, Oddar Meanchey Battlefields  
Southwest Region  
Western Region  
521 Enemy Incapacitated  
708 Killed or Wounded  
355 Casualties Reported  
Eastern Region

- Briefs  
Greetings From U.S.CP ..... 32

### LAOS

- Indonesian Ambassador's Impressions of Situation in Laos  
(KOMPAS, 18 Mar 80) ..... 33

### PAKISTAN

- India Seeks Cessation of Arab Aid to Pakistan  
(JASARAT, 15 Mar 80) ..... 35
- Budgetary Process Evaluated  
(Editorial; JANG, 10 Mar 80) ..... 36
- Trade Deficits With EEC Increase  
(THE PAKISTAN TIMES, 22 Apr 80) ..... 38
- World Bank Aid for Water Projects  
(THE PAKISTAN TIMES, 27 Apr 80) ..... 39

## CONTENTS (Continued)

Importation of 19 Cargo Vessels Set (THE PAKISTAN TIMES, 25 Apr 80) .....	40
Higher Agricultural Targets Listed (M. Aslam Hayat; THE PAKISTAN TIMES, 25 Apr 80) ....	41
Higher Wheat Production in 1980 Reported (MORNING NEWS, 3 May 80) .....	44
Administrative Lack of Communication May Hinder Rice Yield Plans (THE MUSLIM, 29 Apr 80) .....	45
Vast Reserves of Mineral Ore in Baluchistan (THE PAKISTAN TIMES, 26 Apr 80) .....	46
Allocation of Funds for Mineral Development Reported (THE PAKISTAN TIMES, 24 Apr 80) .....	48
Funds for Baluchistan Pipeline Project Approved (Mujtaba Akhter; DAWN, 29 Apr 80) .....	49
Lubricating Oil Recycling Plants Start Operations (JASARAT, 15 Mar 80) .....	50
Pakistan-Iran Cement Plant for Baluchistan (THE PAKISTAN TIMES, 26 Apr 80) .....	51
Carbon Black Plant Starts Production (MORNING NEWS, 22 Apr 80) .....	52
Briefs	
Comprehensive Plan for Kharif	53
Rs 1.2 Crore Spent on Afforestation	53
ADB Loans for Water Projects	53
Karachi Port Development	54
Oil Production Increase	54
Dutch Loan	54
France To Provide Mirages	54
Soviet Roti Plant	55
Pakistan Helps Bangladesh Railroads	55

## PHILIPPINES

Import Duty Cuts Reported (PHILIPPINES DAILY EXPRESS, 3 Apr 80) .....	56
World Bank Approves Cement Firm Expansion (PHILIPPINES DAILY EXPRESS, 3 Apr 80) .....	57

# CONTENTS (Continued)

Local Firms Asked To Use Swiss Funds (PHILIPPINES DAILY EXPRESS, 8 Apr 80) .....	58
Plans for Coffee Processing Venture Disclosed (Samuel V. Senoren; PHILIPPINES DAILY EXPRESS, 8 Apr 80) .....	59
Oil Company Acquires First Supertanker (Samuel V. Senoren; PHILIPPINES DAILY EXPRESS, 14 Apr 80) .....	60
Reportage on Copper: Leading Export, Price Drop (PHILIPPINES DAILY EXPRESS, 15, 25 Apr 80) .....	61
Top Mineral Export Price Fall Noted	
Marcos Orders Acceleration of Mindanao Development (PHILIPPINES DAILY EXPRESS, 13 Apr 80) .....	63
Meeting on Pay Hikes Slated (Jaime S. Reyes; PHILIPPINES DAILY EXPRESS, 15 Apr 80) .....	65
Foreign Equity in Ventures Keeps Growing (G. T. Nervez, R. A. Liquicia; PHILIPPINES DAILY EXPRESS, 25 Apr 80) .....	67
\$1 Billion in Foreign Exchange Earnings Remitted (PHILIPPINES DAILY EXPRESS, 25 Apr 80) .....	69
Government Goes Into Deficit Spending (PHILIPPINES DAILY EXPRESS, 25 Apr 80) .....	70
French Bare Investment Plan in Philippines (PHILIPPINES DAILY EXPRESS, 26 Apr 80) .....	71
Balance of Payments Deficit Trimmed (PHILIPPINES DAILY EXPRESS, 27 Apr 80) .....	73
Decline in Coconut Exports Forecast (PHILIPPINES DAILY EXPRESS, 27 Apr 80) .....	75
New General Motors Venture Disclosed (Rosario A. Liquicia; PHILIPPINES DAILY EXPRESS, 30 Apr 80) .....	76
Overseas Employment for Filipino Workers Reaches New Levels (PHILIPPINES DAILY EXPRESS, 1 May 80) .....	77

## CONTENTS (Continued)

First Quarter Business Investment Climbs to 1 Billion Pesos (Joy de los Reyes; PHILIPPINES DAILY EXPRESS, 1 May 80) .....	79
Government Sets Inflation Rate Below 20 Percent (PHILIPPINES DAILY EXPRESS, 1 May 80) .....	81
Technology Resource Center Allots \$20 Million for Small Firms (PHILIPPINES DAILY EXPRESS, 1 May 80) .....	83
Unfair Labor Acts Made Criminal; Nonprofit Firms May Unionize (PHILIPPINES DAILY EXPRESS, 2 May 80) .....	84
Financial Assistance for Small and Medium Size Enterprises (PHILIPPINES DAILY EXPRESS, 2 May 80) .....	87
Bataan Firms' Exports Rise to \$113 Million Dollars (PHILIPPINES DAILY EXPRESS, 2 May 80) .....	88
'Soft' Prices Reduce Coconut Industry Income (PHILIPPINES DAILY EXPRESS, 2 May 80) .....	89
Sta. Clara Lumber Sales Up by 30 Percent (PHILIPPINES DAILY EXPRESS, 2 May 80) .....	90
Briefs	
Handicraft Export Earnings	91
Remittance Tax	91
Reconnaissance Planes for Air Force	91
West German Telefunken Expansion	92

## TAIWAN

Vice Minister Reports on Industrial Growth (CNA, 8 May 80) .....	93
Changes in Transportation Fares Announced (CNA, 2 May 80) .....	94
Briefs	
March Trade Deficit	95
Crude Oil Import Duty	95
Trade Offices in Colombia	95
Rice Output	96

PAKISTAN-INDIA ACCORD ON TRADE SIGNED

Lahore THE PAKISTAN TIMES in English 27 Apr 80 pp 1, 5

[Text]

APRIL 26: Private sector will be inducted into trade with India. Agreement in principle to this effect between the two countries is reported to have been reached after a protracted series of negotiations.

But the participation of the private sector will be to a limited extent. Pakistan has bought two guarantees. First the trade will not be one-way traffic. The balance of trade should be maintained at a reasonable level.

Secondly, indigenous industry should not be hurt by the inflow of the Indian goods.

Trade talks between the two countries are continuing at diplomatic level, after the visit of Pakistan technical experts' delegation to India last month.

During the negotiations the list of items are being identified which could be traded by both sides. If and when the matter is sorted out, a Pakistani delegation will visit Delhi for final round of negotiations there.

The Indo-Pakistan trade was resumed under the 1975 agreement. Except for the first year, India with a broad industrial base, was able to swamp Pakistani markets with their goods leading to a great imbalance of trade.

The Government was compelled to confine the trade to official account. Even then the imbalance against Pakistan continued to be sizeable.

Only during this year the trend was reversed and balance of trade was in favour of Pakistan.

India had been insisting that trade should be open to private sector. Since Pakistan has a large inventory of items on the 'free list' India wanted that these lists should be available in competition with other countries. On the other hand, India's import list is restricted to 41 items of which 16 are on the free list, but these mostly pertain to high technology items.

Pakistan's exports to India over the years have been rock salt, raw cotton fruits and vegetables, plant seeds, petroleum products chemicals, while imports included coal, manufactured consumer goods engineering goods etc.

The following has been the balance of trade between India and Pakistan:

Imports from India in 1975-76 stood at Rs. 12.7 million and exports at Rs. 149.5 million, showing a balance of Rs. 136.8 million.

In 1976-77 Pakistan went into a deficit of Rs. 234.5 million because exports came down to Rs. 1.2 million and imports rose to Rs. 235.7 million. In 1977-78, the deficit came down to Rs. 124.1 million as Pakistan exported goods worth Rs. 347.3 million and imports from India registered a record figure of Rs. 471.4 million. In 1978-79, the deficit further narrowed to Rs. 98.3 million as Pakistan's exports to India stood at Rs. 84.2 million and imports at Rs. 182.5 million. The balance of trade till early this year has gone to Pakistan's favour by a small margin.



## INTER-ASIAN AFFAIRS

### BRIEFS

PHILIPPINE RICE TO SINGAPORE--The Philippines is exporting to Singapore some 2,000 metric tons of high grade quality rice worth \$750,000, the National Grains Authority said yesterday. NGA Administrator Jess Tanchanco said the rice sale to Singapore was approved by President Marcos in accordance with the "principle of first refusal" provision of the Bali Concord in which an ASEAN country with available rice or oil for export would first make the offer to members of the Association of Southeast Asian Nations before offering to sell to non-ASEAN member countries. [Text] [Manila PHILLIPINES DAILY EXPRESS in English 28 Apr 80 p 8]

CSO: 4220

BRIEFS

BRITISH FINANCIAL AID--A memorandum of British financial aid of 1,179,010 pound sterling, which is equivalent to 20 percent of the purchase price of a machine to produce lining material for jute rugs, was signed in Rangoon on 12 May by Deputy Planning and Finance Minister Col Aye Ko and British Ambassador to Burma C.L. Both. [Rangoon Domestic Service in Burmese to Burma 1330 GMT 12 May 80 BK]

BRITISH FISHERY AID--Under the program to provide about 3.6 million pounds assistance to Burma, Britain will construct two refrigerated fishing vessels for fishery work on Arakan coast. The two vessels will boost Burma's production and sale of shrimp and fish. [Rangoon Domestic Service in Burmese 1330 GMT 30 Apr 80 BK]

CSO: 4211

# UNIFIED STRATEGIC COMMAND FOR FRETILIN

Bissau NO PINTCHA in Portuguese 1 Apr 80 p 8

[Text] "We hope within a relatively short time to announce the formation of a unified strategic command which will bring together the forces of FRETILIN [Revolutionary Front for East Timor Independence] and of Indonesia, namely Celebes, Molucca, Borneo, New Guinea and Western Papua where movements are struggling against the fascist domination of Suharto, to form a unified force for the struggle," stated Comrade Rogerio Lobato, defense minister of the Democratic Republic of East Timor when he stopped in our country on his way to the Republic of Guinea.

Explaining next the objectives of this force, Comrade Rogerio Lobato told us that this command could count on around 9 million people. "We will have a balance of forces and will be the alternative to accelerate the overthrow of Suharto and his government. This is essential for us, to the extent which we will be able to launch a much more organized armed struggle. FRETILIN will play a vanguard role in forming this command which will be responsible not only for the struggle in East Timor but also for the whole area of Southeast Asia."

On the internal situation in East Timor, the Maubere defense minister stated that FRETILIN had in its possession a secret document drafted by Indonesian generals which stated Suharto should not be a candidate in the next presidential elections. "This only shows," he stressed, "that Suharto no longer is of use to imperialism. At this time, there is an attempt to liberalize the Jakarta government. We think that, despite these new winds blowing, we must continue to intensify the armed struggle; we are not going to change our plans."

Recently, Indonesia strengthened its positions by sending new contingents when the guerrilla war intensified. "In 1979, there were great problems in East Timor, caused by the death of our president, Comrade Nicolau Lobato. It took some time to restore FRETILIN and now we are ready to intensify and increase the armed struggle.

In the diplomatic arena, we knew that Portugal wants to talk with the Government of Indonesia about East Timor," specified Comrade Rogerio Lobato

stressing that, "the current Portuguese Government is rightist and we do not believe that it will work to give East Timor a revolutionary character. This is the problem of the Maubere people and FRETILIN which has led the struggle. We do not accept any attempt to create a neocolonial situation. We are fighting the Indonesian forces and nothing will prevent us from fighting the Portuguese forces, if they assume a hostile attitude toward our people."

The purpose of the defense minister's visit to the Republic of Guinea and his stop in our country was to speak to the political, military and diplomatic situation of East Timor and the problems which the Maubere people are facing in this difficult struggle.

9479

CSO: 4401

MAJOR GENERAL WIYOGO NAMED COMMANDER OF KOWILHAN I

Jakarta KOMPAS in Indonesian 19 Mar 80 p 12

[Excerpts] General Yusuf, minister of defense and security and concurrently commander of the armed forces, yesterday attended the transfer ceremony of the post of Territorial Defense Command I/Sumatra and West Kalimantan at the auditorium of the Headquarters of the Territorial Defense Command I. The transfer was from Lieutenant General G. H. Mantik to Major General R. Wiyogo Atmodarminto. G. H. Mantik has been elected as Governor of North Sumatra, while Major General Wiyogo was previously commander of the Army Strategic Command.

A get-acquainted and farewell gathering was held at the auditorium Monday night to bid farewell to Lt Gen G. H. Mantik and the commander of Military Region II/Bukit Barisan, Brigadier General A. Ismail (who will be appointed commander of the Army Strategic Command), and to welcome the arrival of Brigadier General M. Sanif as commander of the Military Region II/Bukit Barisan and Major General Wiyogo as commander of the Territorial Defense Command I.

Major General Wiyogo Atmodarminto began his military career in 1948 after graduating from the Yogya Military Academy with the rank of second lieutenant. He was appointed a trainer in the said military academy, and subsequently led his students in guerrilla warfare against the Dutch in the Kalasan region. This senior officer was born in Yogya on 22 November 1926. He is not only an all-round sportsman, but also an artist. He plays soccer, badminton and handball. He swims, too. Moreover, he is a good singer and dancer of court dances. He is 1.65 meters tall. He smokes a pipe and his favorite tobacco is "Virginia 79." He has a working mastery of three languages: English, Dutch and German. He understands Japanese, but he does not speak it.

Among Indonesian military circles, the new commander of the Defense Territorial Command I is known as one of the persons who laid the foundation of paratroop education. After his return from the United States, where he took part in the "Rangers" education at Fort Benning in 1955, Wiyogo was assigned to train paratroops at Batuajar, Bandung. This training

center later developed to become the center for the education of Army Para Commando Regiment of the Indonesian Army (RPKAD TNI-AD). Before taking part in his training at Fort Benning, Wiyogo had participated in the education and training of jungle warfare in Johore, a training center for battles in jungles and against guerillas. This training center was run by the British forces at that time. After returning from Johore, Wiyogo entertained the idea of establishing a "battle center" for Indonesian paratroopers.

Major General Wiyogo became widely known when he was appointed commander of the "Garuda IV" contingent to Vietnam within the framework of Indonesia's obligation in the International Commission of Control and Supervision (ICCS). After returning from Saigon, he was appointed chief of staff of the Army Strategic Command, succeeding Brigadier General Sofjar. He is truly an Army Strategic Command man, as a good part of his life has been spent there.

Starting as a temporary assistant officer in Operations in 1962, Wiyogo moved up steadily as brigade commandant, commander of Battle Command of Army Strategic Command, chief of staff of Army Strategic Command and, finally, commander of the Army Strategic Command in 1978.

Concerning his formal military education, besides being a member of the graduating Class IV of the Staff and Command School, he was sent to West Germany to specialize in commanding paratroops. He was married to Rubinetta Rubini in 1954 when he was deputy commandant of Battalion 313/Siliwangi. At one time he was also deputy commandant of Battalion 330.

The first impression that this mustachioed senior officer gives is that he is a military man.

9300

CSO: 4213

## MUSICIANS ASK DUTCH FOR POLITICAL ASYLUM

Jakarta SINAR HARAPAN in Indonesian 27 Mar 80 pp 1, 12

[Excerpts] The Indonesian music group "Black Brothers," mainly comprising Irian Jaya youths, has asked the Dutch government for political asylum.

Drs J. E. Crenen, first secretary of the Dutch embassy in Jakarta, told this paper Thursday morning that his embassy knew of the request for asylum by the "Black Brothers" from the Netherlands press.

The Dutch government's decision on this matter is not yet known. However, the matter can develop into a serious political issue, if not properly handled, on the eve of the forthcoming visit to Indonesia of Dutch Prime Minister Agt on 13 April.

Two weeks ago the "Black Brothers" musical group held a concert in Papua New Guinea (PNG). In one of their appearances, the singers sang a song which was derogatory to Indonesia. The concert was halted by the local authorities and they were expelled by the government of that country.

Apparently they flew to Amsterdam (Holland), where they subsequently submitted a request for political asylum.

In the meantime, an official of the PNG embassy in Jakarta explained to this paper Thursday afternoon that entry permit for the musicians was given on 28 September 1979. According to record, they arrived in PNG on 28 November 1979.

The visa granted to 27 members of the musical group include their dependents. The type of visa was "business visa" for the members of the band, and "tourist visa" for their dependents.

All the visas were valid for one month, which means that their stay permit in PNG was valid only until 28 December 1979.

According to this official, it is possible that the musical group was asked to leave PNG because their stay permits had expired.

Furthermore, this paper learned from its source in The Hague that the Indonesian embassy there has given a clarification to the Dutch government to the effect that the musical group left Indonesia with an official exit permit and an official visa permit. They were sent by the Indonesian government to PNG within the framework of cultural exchange.

In its clarification, the Indonesian embassy said that the musical group did not flee the country as purportedly claimed by the members concerned.

This paper's source in The Hague said that the musical group apparently wanted to show their political inclination by their presence in Holland. What is evident is that the presence of the "Black Brothers" in Holland is not that of political fugitives.

If the pop musical group said that they felt "oppressed" in Indonesia, that is entirely not true, because the activities of the said musical group are fairly popular among the Indonesian people, and their income derived from artistic endeavors is even higher than that of other musicians'.

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CSO: 4213



# FORMER FOLLOWERS OF HASAN TIRO RELEASED

Jakarta KOMPAS in Indonesian 22 Mar 80 p 8

[Excerpts] Brigadier General R. A. Saleh, commander of the Military Region Command I/Iskandar Muda, officially announced on Thursday the release of 3 detainees who were members of the erstwhile illegal disturbance movement of Hasan Tiro in a ceremony held at the auditorium of the Military Region Command I Banda Aceh. R. A. Saleh explained that the release of Ir Isnawi Husin, Amir Ishak and M. Tahir was prompted by the fact that they have shown a positive attitude admitting their mistakes against the people and the state.

He said that the Indonesian government took pity on those who were still influenced by Hasan Tiro's blandishments. As a matter of fact, they fell victim to deceit and became confused. Thus they turned against their own government and disturbed the public order of Aceh where development was in progress. Therefore, the 6 Hasan Tiro followers still roaming in the jungles have been given an opportunity to surrender themselves, but if they still disobey stubbornly, they will be crushed by the government, said Brig Gen R. A. Saleh.

Earlier, the 3 ex-detainees had pledged their loyalty to the Indonesian state, the Five Pillars (ideological basis of the Indonesian state: Belief in God, National Consciousness, Humanism, Social Justice, Democracy) and the Constitution of 1945. Also, they pledged that they would not engage again in aiding the Hasan Tiro movement. Based on the decision of the regional special executive officer, they will not be brought to court for trial.

According to his testimony before the Aceh Investigation Team, Ir Isnawi Husin, 30, then working as a technical consultant on Jalan Mongonsidi B in Medan, heard rumors concerning the Hasan Tiro movement around March 1977. At that time, he received a circular from a person named Dr Muhtar, and then some brochures and books authored by Hasan Tiro himself. He became attracted, so that he, on 21 May 1977, departed for Kuala Simpang, East Sumatra, to meet with Hasan Tiro. He was only received by Dr Muhtar who usually arranged a relay journey with Dr Zaini and Dr Zubar (not yet

arrested up till now--editor) to meet with Hasan Tiro in the Pidie regency region. He then joined the movement and was installed as "Minister of Development" by Hasan Tiro on 20 October 1977.

After about one year of adventurism, Ir Asnawi saw through Hasab Tiro's deceit and repented for his action. Eventually, out of his own conviction, he and Amir Ishak surrendered to the authorities on 26 September 1978. Since then, he has been active in aiding the government to crush the Hasan Tiro movement.

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CSO: 4213

## INDONESIA

### AIR FORCE PURCHASES SWISS PRIMARY TRAINERS

Jakarta HARIAN UMUM AB in Indonesian 17 Mar 80 p 1, 8

[Excerpts] An agreement to purchase AS 202 Bravo planes was signed between Marshal Ashadi Tjahjadi, Air Force chief of staff, and Mr R. Boehm, a representative of FFA Aircraft Company of Switzerland, at the Air Force Hqs Saturday.

During the ceremony, the Air Force chief of staff said that the AS 202 Bravo planes will replace T 34 A Mentor trainers of the Indonesian Air Force. These have been in operation for 17 years in the Armed Forces' Aviation Academy, and it is difficult to obtain support equipment for them nowadays.

It is hoped that with the arrival of the new trainers, the Aviation Academy will be in a better position to train flight officers. AS 202 Bravos are primary trainers equipped with Lycoming O-320 E 2 A with an acceleration capacity of 180 horse power. They seat two passengers side by side. The 20 AS 202 Bravo planes from Switzerland will arrive in Indonesia in batches beginning March 1981. It is hoped that they will be in operation in April 1981. The planes will be placed in the Armed Forces Aviation Academy in Yogyakarta.

As already known, in training flying cadets, the academy is using the split system. The students are first given primary training by using T-34 A Mentor trainers which are to be replaced with AS 202 Bravo planes.

Later on they will further their training by using T-34 C Turbo Mentor trainers at the basic level. Afterwards, the cadets undergo the split system in three different directions, namely interception, transportation and helicopter. The flying cadets will continue their training by using L-29 Dolphin planes which will shortly be replaced with British HS Hawk planes.

On the other hand, transport flying cadets will continue their training by using Cessna, and will also sit in for the CPL examination simultaneously. For those specializing in helicopter, they will use Bell Sioux helicopter trainers.

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CSO: 4213

## INDONESIA

### BRIEFS

FOREIGN RICE PURCHASES--According to Bustamil Arifin, chief of the National Logistics Bureau, this year's production of rice is fairly good. After reporting to President Suharto at Merdeka Palace Tuesday evening, Bustamil said that the harvest this year can yield 8 tons per hectare. In some regions the figure can go as high as 11 tons. He said he recently returned from Bangkok where he bought 100,000 tons of rice and another 100,000 tons from the Philippines as reserve stock for 1980-81. Delivery of these 200,000 tons will begin in June aboard Indonesian vessels which are registered with "Insa." According to Bustamil, the purchasing price was slightly up. In Muangthai, it was \$325 per ton, while in the Philippines it was \$320 per ton. Even so, these prices are considered cheap compared with the local market price, he said. For instance, the official price in Muangthai is \$385 per ton. Besides Muangthai and the Philippines, the Indonesian government has also bought rice from the United States through the Public Law 480 program, and from Japan, Pakistan and Burma, for reserve stock. However, he refused to divulge the total requirement for the stock program of 1980-81. "Let us not say anything about it for the time being, as we have to see our own production first," he said. [Excerpts] [Jakarta KOMPAS in Indonesian 26 Mar 80 p 1]

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CSO: 4213

## 'VODK' BATTLE REPORTS FOR FEBRUARY, MARCH, APRIL

## February Report

BK061005 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 1 May 80

[Text] The (Bigiar)-FULRO movement continues to launch relentless guerrilla attacks against the Vietnamese Le Duan enemy in a vigorous and widespread manner, constantly inflicting losses on the Vietnamese manpower, driving the Le Duan enemy into confusion, causing them to lose sleep and appetite, and depriving them of the opportunity to seize control of the (Bigiar) highlands at will.

## The Pleiku battlefield:

In an attack on (Plei Roh) on 2 February, seven enemy troops were killed, seven others were wounded, five enemy houses were set ablaze, two AK's and five M-16's were destroyed, and some materiel was seized. In attacks launched on the Le Duan troops' battalion encampment at (Plei Chi) and on (Chu Minh) mount on 4 and 7 February, 10 enemy troops were killed, some were wounded and 12 M-16's were destroyed. In the attacks launched on the (Buon Yol)-An Khe route and on the company encampment at (Plei Yt) on 9 February, 12 enemy troops were killed, 6 were wounded and 2 six-wheel trucks and 5 AK's were destroyed. In the attacks on the Pleiku-Cheo Reo route and at (Nhen) hamlet on 12 and 14 February, a Soviet-made jeep was destroyed, 15 enemy troops were killed, 7 others were wounded, and 4 carbines, 4 AK's, 2 M-79's and 5 tractors were destroyed.

## The (N'drak)-Quang Duc battlefield:

In an attack on a company encampment at Buon Tlan on 7 February, an enemy troop was killed, some others were wounded and 20 M-16's and 7 carbines were seized.

In an attack on the Darlac-Quang Duc route on 16 February, two enemy troops were killed, another was wounded, four enemy barracks were burned down and an AK was seized.

In sum, on these two battlefields, the (Bigiar)-FULRO guerrillas killed 71 Vietnamese Le Duan troops, wounded some others, set ablaze 4 enemy barracks and 5 houses, destroyed 3 military trucks, 5 tractors and 34 assorted enemy weapons, and seized 28 assorted weapons and some materiel.

### March, April Report

BK060900 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 2 May 80

[Summary] In order to fulfill the rainy season tasks and win more victories, our army and guerrillas throughout the country pledge to better implement the three combat tactics, wearing down the enemy manpower and inflicting greater losses on them.

The battlefield on Route 7, eastern region:

We attacked the enemy at Chup and Krek plantations and at Phum Pratheath on 22, 23, 25 and 26 March; between Chup and Krek, at Dambe and at Phum Pratheath on 28 and 30 March; and near Vihear Luong and Chup on 31 March, causing 70 killed or wounded.

The western region battlefield:

In southern Baribo, 78 enemy troops were put out of action in our attacks at Anchanh Rung and Phum Tuol Khpos on 11 March; at Phum Trapeang Ampil, Phum Choam and south of Phum Tuol Khpos on 12 March; and at Phum Kauos Kraham on 14 March.

In northern Baribo, 61 enemy troops were killed or wounded in our attacks at Phum Ponley and Trapeang Chas on 12 and 14 March; and at Phum Svay K'e west of Phum Ponley on 16 March.

In Kompong Tralach Leu district, our attacks at Phum Tbeng Khpos and a point west of Asia Lek Prem on 13 and 15 March caused 33 enemy troops killed or wounded.

The Koh Kong-Kompong Som battlefield:

We attacked Phum Kirivong and Phnum (Ta Kolh) on 27 April; near the beer brewery and at the O Trav rubber plantation on 26 April; and at the Ream coconut plantation, the Kang Keng airport and Phum Thmar Thom on 27 April. We killed or wounded 180 enemy troops.

The Battambang battlefield:

In Samlot district, 61 enemy troops were put out of action in attacks at Phum Chenh Chaeum Kre, O Chrap, Phum Sre Andong and O Choar on 21 and 22 April and at Chamkar S'am, O Choar and near Phum Chumteng Luoeh and Phum Kandal on 23 and 24 April.



In Pailin district, between 22 and 24 April we attacked the enemy daily at Stoeng Thom, Kandie Hao, O Khtoem, Pang Roloem, south of Pailin, Sala Krau and Bor Tang Su, killing or wounding 140.

"In sum, on these battlefields we put out of action 623 enemy troops, destroyed 3 trucks and 5 assorted weapons, and seized 23 assorted weapons, 330 cans of food from international aid and a quantity of ammunition and materiel."

#### 13-25 April Report

BK060859 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 1 May 80

[Summary] In an emulation drive to eliminate the maximum number of enemy manpower in April, our army and guerrillas throughout the country have been very active and vigorous in intensifying their attacks.

##### The Koh Kong battlefield:

We attacked the enemy on several occasions at Phum Kirivong and at Ta Kot hill on 22, 23 and 25 April; also between O Sneng Praeva and O Svay Rieng at Phum Tatei and between Trapeang Rung and Andong Toek on 19 April, killing or wounding 189.

##### The western Leach district battlefield:

Our daily attacks on the enemy at various localities between 20 and 25 April caused 189 casualties.

##### The Battambang battlefield:

Samlot district--247 enemy troops were put out of action by our attacks at Samlot and Phum (Prang) on 13 and 14 April; at Phum Peam, O Prayut, at O Ta Tang camp and Phum Romiet Prang between 17 and 19 April; at Phnum Ta Ngaol, at O Choar, Phum Chenh Chaeum Kre, O Totiek and O Ta Tang on 20 April; and at O Totiek and O Choar on 22 and 23 April.

"In sum, on these battlefields, we put out of action 625 enemy troops; destroyed an ammunition depot, an enemy post and 10 trucks; and seized a quantity of weapons, ammunition and materiel."

#### FULRO Battle Report

BK300352 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 25 Apr 80

[Text] The Bigiar-FULRO guerrillas have intensified their attacks against the Le Duan Vietnamese clique, inflicting further heavy losses.

On the Ban Me Thuot-Dac Lac battlefield, on 1 and 3 February, the Bigiar-FULRO guerrillas attacked the Vietnamese Le Duan troops on Route 15 near (Chi Krung) hill and on Route 21 near (Chi Chay) hill, killing 13, wounding 2, destroying 3 6-wheel trucks and an AK and seizing 2 AR-15's and a quantity of materiel. On 14 and 15 February they attacked the Vietnamese at (Buon Chi Nghia) and at [name indistinct], killing 16, wounding 4, setting 7 houses ablaze and seizing an AK, 3 carbines, an M-79 and a quantity of materiel. On 17 and 20 February they attacked the Vietnamese troops at an area along the Lac Thien-Ban Me Thuot route, at (Pong Pla) and at [name indistinct], killing 12, wounding 2, destroying 9 houses and a 10-wheel truck and seizing 3 AK's, an AR-15 and a quantity of materiel. On 22 and 29 February they launched attacks on the route from Ban Me Thuot to Dac Lac and on the route from Ban Me Thuot to Ban Don, killing 15, wounding several others, destroying 2 6-wheel trucks and 2 jeeps and seizing 2 AK's and 5 AR-15's.

In sum, on the Ban Me Thuot-Dac Lac battlefield the Bigiar-FULRO guerrillas killed or wounded 64 troops of the Le Duan Vietnamese clique.

On the (Long Sien)-Dac Lac and [words indistinct] battlefield, from 2 to 20 February they launched attacks at (Long Sien), Dac Lac, (An Kien), (Y Cia), (Don Do) and (Song Hoa), killing 39 enemy troops, wounding 6, destroying a jeep, a 6-wheel truck, 7 M-79's, 16 AR-15's, 9 AK's and 6 carbines, setting ablaze 25 houses and seizing a quantity of materiel.

In sum, on these two battlefields the Bigiar-FULRO guerrillas killed or wounded 109 troops of the Le Duan Vietnamese clique, destroyed 9 military trucks, 41 houses, 7 M-79's and 31 AK's, AR-15's and carbines, and seized 16 weapons.

#### Further FULRO Battle Reports

BK011555 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 28 Apr 80

[Text] The guerrilla attack movement of the minority peoples in the central highlands is being carried out seethingly against the Vietnamese Le Duan enemy forces, causing them to constantly suffer huge losses in manpower and driving them into utter confusion.

The Kontum battlefield: On 2 and 3 February the FULRO guerrillas attacked the Vietnamese Le Duan enemy at (Phnum Pong), (Phnum Prey) and (N'drak Lok) in (N'drak Kua) district, killing 22, wounding 8, destroying a 60-mm mortar, 12 AK's, 5 M-16's, a pistol, a tractor and a 6-wheel truck, setting ablaze 20 enemy houses, and seizing a quantity of materiel. On 5 February they attacked them on Route 14 from (Dinh Khanh) to (Dak To), killing 11, wounding 3 and destroying 2 10-wheel trucks, 3 AK's and 6 M-16's. On 15 February they attacked the Vietnamese Le Duan enemy's battalion encampments at (Cong Vinh) and on Route 19 from Kontum to Pleiku, killing seven enemy



troops, wounding some others and destroying a six-wheel truck and two AK's. On 23 February they attacked them at (Plei Khak), killing three, wounding two and destroying an M-16.

In sum, on the Kontum battlefield, 56 Vietnamese Le Duan enemy troops were killed and some others were wounded.

The (M'drak) battlefield: On 5 February, they attacked the Vietnamese Le Duan battalion barracks at (Phnum Pi Kach Kong), killing two, wounding some and destroying an AK pistol.

The Cheo Reo battlefield: On 16 and 19 February they attacked on [words indistinct] on the (Buon Mle)-Cheo Reo route, killing nine enemy troops, wounding three, destroying a 10-wheel truck, an M-79, three M-16's and two AK's and seizing some materiel. On 22 February, they attacked at (Buon Chung Kha), killing two enemy troops, wounding two others and seizing an M-16.

In sum, on all three battlefields, the FULRO guerrillas killed 74 Vietnamese Le Duan enemy troops, wounded some others, destroyed 20 enemy houses, a tractor, 5 military trucks, a 60-mm mortar and 37 assorted firearms, and seized a quantity of materiel.

#### Sisophon Combatants Surpass Plans

BK291038 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 25 Apr 80

[Summary] After successfully fulfilling the February plans, our comrades in arms on the Sisophon battlefield south of Route 5 have continued to strengthen and expand our primitive weapons system and intensified attacks against the Vietnamese aggressors.

"In March, our comrades in arms killed or wounded 1,516 enemy troops; captured 15 others; destroyed 4 M-30 and 12.7 mm machineguns, 5 B-40's and 28 AK's; seized 10 AK's, an AR-15, 7,600 AK rounds, 1,403 M-69 mines, 35 grenades, 13 DK-82 rounds, 3 12.7-mm rounds and a quantity of AR-15 rounds and other materiel; and destroyed or set ablaze 20 trucks." In so doing, our comrades in arms overfulfilled the March plan by more than 51 percent. Moreover, our comrades in arms also produced and planted 1,535,425 punji stakes, dug 9,506 pitfalls, set 462 automatic crossbows and 905 booby traps, planted 7,156 mines and felled 650 trees to block roads.

"Moreover, our comrades in arms planted 150 hectares of crops--92 hectares of corn and 58 hectares of various other kinds of food crops and vegetables--for their own consumption."

Our comrades in arms are determined to expand the primitive weapons system and continue to effectively implement our three combat tactics so as to

inflict more losses on the Vietnamese enemy and completely fulfill and even overfulfill the April plans while defending, strengthening and expanding their own forces to the best of their ability.

#### 28 April Report

BK020403 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 28 Apr 80

[Summary] Our army and guerrillas have been more active and vigorous in intensifying their attacks on the Vietnamese aggressors and have inflicted an increasing number of losses on them so as to end the dry season battle victoriously and enter the rainy season confidently.

#### The Stung Trteng-Ratanakiri battlefield:

In Lomphat district, we attacked the enemy in (Sre Chhuk), Lomphat and on Phnum (Kot) on 3-4 April, and in Phum (Paeung), Veal Ta Pham and at Phum Chik on 5 and 8 April. We killed or wounded 56.

On Route 19 from Veun Sai to Bung Lung, the enemy was attacked at Sre Angkrong and at Phum Trapeang Kraham on 2 April; and at Trapeang Kraham and Trapeang Chek on 6 April, with 25 killed or wounded.

In the Veun Sai-Bung Lung front, 45 enemy troops were put out of action by our attacks at Phum (Hat Tak), Phum (Angkan), Phum Sahachip and Phum Dab on 2, 4 and 5 April; at Phum Svay Rieng, near Phum Sahachip were incapacitated on 6 and 7 April. [as heard]

#### The Mondolkiri battlefield:

We attacked the enemy at Kaoh Nhek, Sen Monorom, and O Te on 1 and 7 April; and at Sen Monorom and Kaoh Nhek again on 10 and 16 April, killing or wounding 22.

In Kratie Province, 13 enemy troops were killed or wounded in the attacks at Sre Khnong and O Tras on 13 and 15 April; and at Sre Chik on 19 April.

#### The Preah Vihear battlefield:

On the front south of Preah Vihear, 17 Vietnamese troops were killed in our ambush between Phum Bak Anlung and Phum Cha.

On the Choam Khsan front we attacked the enemy east of Preah Vihear hill at Phum Kantuot, Preah Vihear, Trapeng Toek and at the ancient temple on 17 and 18 April; near Cheuteal Kaoh on 19 April; at Cheuteal Kong on 20 April; near Cheuteal Kong, near Choam Khsan and at the ancient temple on 20 and 21 April; north of Angkang hill on 23 April. One hundred sixteen enemy troops were killed or wounded in these attacks.

#### The Oddar Meanchey battlefield:

In Anlung Veng district, we killed or wounded 33 enemy troops in attacks at Phum Anlung Veng, near Phum Romchek and near Phum Ph'av on 15, 16 and 17 April.

#### The Battambang battlefield:

In Bavel district, we attacked the enemy at Phum Ta Krei, near Hill 182, at O Prayut, O Tipsea Kraom and near Baysei hill on 9, 10 and 11 April; at Phum Ta Kap, O Lhong, east of Cham Chap hill and east of O Prayut on 17 and 18 April; and at O Chanlor, on Hill 182, at (Veal Ti Pi) and on Hill 187 on 19, 20 and 21 April. We killed or wounded 154 enemy troops in Bavel district.

In Sisophon district south of Route 5, 47 enemy troops were put out of action in attacks on Phnum Amlai, east of O Sampoar and O Sralau on 16, 18 and 19 April; and on Phnum Malai, at kilometer 4 and at Mak Heum on 20 and 21 April.

"In sum, on these battlefields we killed or wounded 531 enemy troops; destroyed 6 trucks and 13 assorted weapons; and seized a quantity of weapons, ammunition and materiel."

#### 430 Enemy Casualties

BK100918 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 9 May 80

[Summary] Our army and guerrillas have further implemented the three combat tactics in a vigorous and effective way, inflicting more losses on the enemy while successfully defending our forces.

#### The southwestern region battlefield:

In Tram Kak district, we attacked the Vietnamese at Prey Khvav, Prey Kuy, Chheuteal, Khai O, Trapeang Run, (Trapeang Trakuot), Peak Bangaong, Phum Thmei, Khpop Trabek Dam, Phum Samraong, (Prey Sbat), Phum O and Phum between 2 and 9 April, killing or wounding 61, destroying a 11.7-mm machine-gun, a B-40 and a truck, and seizing a quantity of weapons, ammunition and other materiel, including 30 cans of humanitarian food aid.

#### The Koh Kong-Kompong Som battlefield:

On Kompong Som front, we attacked the Vietnamese at O Treh, O Chheuteal, Phum Koki, (Put Thoeung), Smach Deng, (Smau Angkam), at the oil refinery and at Stoeng Hao between 1 and 2 May, killing or wounding 41, including a battalion commander. We also seized a quantity of weapons and ammunition and a motorcycle.

On the Koh Kong Kraom front, we attacked the Vietnamese at Paoy Chapon, Phum (Ta Muon Leu), at (Kbal Prek Ta Ok) and at Thmar Sar district seat on 2 and 3 May, killing or wounding 30.

On the Koh Kong Leu front, we attacked the Vietnamese near O Run, Banteay Thmei, at Kaoh Phnhiev, at the Phnum Ta Koch position, Phum Kirivong, O Dach, east of Phnum Ta Koch, at Phnum Ta Koch and O Dach between 1 and 3 May. We killed or wounded 168 enemy troops.

#### The Battambang battlefield:

We attacked the Vietnamese at Phnum Khieu and Bor Tansu in Pailin district on 29 April, killing or wounding 35. In attacks on various places in Bavel district between 1 and 3 May, we killed or wounded 36 enemy troops. In Sisophon front south of Route 5, we attacked the Vietnamese at Phnum Malai nine times, killing 11 and wounding 19.

#### The Preah Vihear battlefield:

In Choam Khean district, we attacked the Vietnamese at Phum Char on 20 April and in the vicinity of Phum Char on 1 May, killing or wounding 29, setting ablaze 2 military camps and destroying a dozen of weapons and all the materiel in the camps.

"In sum, on all these battlefields we put out of action 430 enemy troops, including a battalion commander, set ablaze 2 military camps and seized a quantity of weapons, ammunition and other war materiel."

#### Central Region Battlefield

BK100926 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 9 May 80

[Excerpt] After successfully fulfilling February's plans, our comrades in arms in the central region battlefield have vigorously strived to surmount all difficulties and shortages, effectively implemented the three combat tactics with a firm stand of mastery and a lively sense of initiative and creative ingenuity and intensified widespread guerrilla attacks thus expanding the area for guerrilla activities deep into the zone under temporary control by the Vietnamese enemy and inflicting more losses on the enemy. In March, our comrades in arms killed or wounded 1,174 enemy troops, including 4 company commanders; destroyed 5 military trucks, a B-40 and 2 AK's and seized a B-40, a B-41, a M-79, 6 AK's, a CKC, 20 M-69 mines and a quantity of war materiel. At the same time, our comrades in arms totally liberated Phum O Ta Sek and Phum Samraong in Stoeng Trang district of Kompong Thom Province and crushed a Vietnamese offensive drive at Boeng Krachau in Baray district of Kompong Thom Province. Our comrades in arms have overfulfilled by almost 64 percent the montly plan to crush at least 900 enemy troops.

As a result of their efforts to produce primitive weapons, 3,176,180 new punji stakes have been planted, 1,892,840 new stakes have been made, 10,790 new pitfalls have been dug, 650 automatic bows and 230 booby traps have been set up and 680 trees have been felled to block roads.

### 374 Casualties

BK090926 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 7 May 80

[Summary] Our army and guerrillas throughout the country have further strengthened unity with our people of all nationalities in all localities and have intensified guerrilla attacks against the Vietnamese aggressors so as to inflict more losses on them.

#### The Ratanakiri battlefield:

We attacked the Vietnamese at (Ituh), along the San River, at Voeun Hay and south of Voeun Hay on 2 and 5 April; at Phum (Ta Hoeuy), (Sre Kham), O Talat, Sre Russei and O Cheng on 7 and 8 April; at Hat Baoh, Sre Angkrong, Veun Sai, Bung Lung rubber plantation and west of Trapeang Kraham on 9 and 10 April; and at Phum Sre Kor, (Kamchha), (Kachut), Phum Chan, (Ta Lav) and (Och) on 11 and 12 April. We inflicted 113 casualties including several killed or wounded by punji stakes. We destroyed a motorboat and seized a quantity of weapons and ammunition and 300 AK rounds.

#### The Kratie battlefield:

We attacked the Vietnamese along the Prek Te River, at Sre Roneam, Prek Kampi and Phum Kantuot on 3 and 4 April; at Sre Cham and Sre Chih along Route 7 and at Phum Sandan and Boeng Char in Sambo district on 5 and 6 April; and at Phum Khlek Khlok, along O Krieng stream, on the route from Sre Roneam to Sen Monori, at Phum Svay Chreh and Prek Preah between 7 and 10 April. Casualties numbered 89, including some killed or wounded by punji stakes, a vehicle was destroyed and a quantity of weapons and ammunition was seized.

#### The central region battlefield:

In Stoeng Trang district, we attacked the Vietnamese at Sre Romduol, Meakh, on the route from Spoe to Stoeng Trang, at Phum Samraong, O Ta Sek, Bet Thnu rubber plantation, Boeng Ket and Phum Sammap Khchei on 12 and 13 April; and at O Kapman, Choam Thma, Boeng Ket rubber plantation, O Pi, Choam Beng, O Pralaoh and Phum Sdau between 14 and 16 April. Sixty-six were killed or wounded and a quantity of weapons and ammunition was seized.

In Kompong Svay district, we attacked the Vietnamese at Kompong Kou south of Kompong Thom on 23 April; we killed 8, wounded 9 and seized 12 weapons as well as a quantity of ammunition.



In Stoung district, we attacked the Vietnamese at Phum Koul west of Stoung near Route 6 on 23 April, set a truck ablaze and killed eight enemy troops.

**The Pursat battlefield:**

In Krakor district, we attacked the Vietnamese along the Tonle Sap River on 9 April; at Phum Kompong Luong on 17 April; and along the Tonle Sap River on 20 April; there were 24 casualties, 2 motorboats and a quantity of weapons were taken.

**The Battambang battlefield:**

In Samlot district we attacked the Vietnamese at (Kompul Svay Bak) on 20 April; at Spean Thmar Bak, west of Phum Sra Ponloe and at (Kompul Svay Bak) on 25 and 26 April; at O Ta Toeng, and when they moved out of O Totiek on 29 April; and in the vicinity of O Totiek, at Phum Ta Ngaol and at Phum Samlot on 1 and 2 May. Fifty-nine were put out of action, and two command posts were set ablaze.

"In sum, on all these battlefields we killed or wounded 374 enemy troops, set ablaze 2 command posts, destroyed a motorboat and 2 trucks, and seized 2 motorboats, 39 assorted weapons and a quantity of ammunition and war materiel."

**423 Casualties Inflicted**

BK090941 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 6 May 80

[Summary] Our army and guerrillas have further implemented the guerrilla warfare line and the three combat tactics so as to inflict more losses on the enemy.

**The western Leach district battlefield:**

"On 28 April we attacked the Vietnamese at 8 places, killing 35, wounding 28 and seizing 3 AK's, 300 AK rounds and a quantity of war materiel. On 29 April we attacked the Vietnamese at 7 places, killing 27 and wounding 29 with 13 others killed and 24 wounded in mine explosions. On 30 April we attacked the Vietnamese at 6 places, killing 14 and wounding 16."

**The Battambang battlefield:**

In Pailin district, we attacked the Vietnamese when they moved from O Chrap to Phum Ta Ngel, at Stoeng Tho, when they came down Russei hill, at Bor Tangsu, near the border west of Bor Tangsu, at O Chrap and at Phnum Khiev between 26 and 28 April, killing 31 and wounding 38 with 40 others killed and 35 wounded in mine explosions. We seized 23,620 AK rounds, a crate of grenades, 36 M-69 mines and a quantity of other war materiel.

In Bavel district, we attacked the Vietnamese at the orange plantation in Phum Kompong Chhnang, at Phum (Sathapor) and Anlung Sandan between 27 and 29 April, and east of O Lhong on 2 May, killing or wounding 37. Also on 2 May, six Vietnamese troops fled to join our guerrillas and people west of Phum Channaom.

On the Sisophon front south of Route 5, we attacked the Vietnamese at Phnum Malai 3 times on 28 April, and at (Chumrum Chambak) and Phnum Malai on 1 and 2 May, killing or wounding 46.

"In sum, on all these battlefields we put out of action 423 enemy troops and seized a large quantity of weapons, ammunition and war materiel.

#### 509 Killed, Wounded

BK031138 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 29 Apr 80

[Summary] Our army and guerrillas throughout the country have more actively and vigorously intensified their attacks on the enemy inflicting increasing losses on their manpower in order to end the battles in the dry season with success.

In western Leach district, we daily attacked the enemy at various localities between 16 and 20 April, killing or wounding 316.

In Battambang Province, Thmar Puok district, we inflicted 193 casualties on the enemy in our attacks at Phum Thmei and Phum (Boeng Basak) on 9 April; at Phum (Ko Prich) and Phum (Boeng Basak) on 10 and 11 April; at Phum (Ko Prich), Phum (Boeng Basak), east of Phum (Toap Ting), and near Phum (Kouk Romiet) between 15 and 17 April.

"In sum, on these battlefields, we put out of action 509 enemy troops, including a battalion commander; destroyed 4 enemy posts, a truck carrying rice; and seized a quantity of weapons, ammunition and materiel."

#### Southwestern, Oddar Meanchey Battlefields

BK031206 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 30 Apr 80 BK

[Summary] Our army and guerrillas throughout the country continue to more effectively implement the three combat tactics and inflict more losses on the enemy's manpower in order to wind up the dry season with victory and enter the rainy season with confidence.

The southwestern region battlefield:

We attacked the enemy near Phum Prey Sandek on 21 March; at Phum (Ko Duol), And Tason and Ang Rokar on 23 March; at Ang Tason and Phum Ta Leak on

24 March, at Phum Pangkasei, Phum Samraong and Phum Daeum Rokar on 25 March; near Chhuk 26 March; at Phum (Traol) and Phum Rumlich on 27 March; at Phum Boeng, Phum (Prich) and Phum Trapeang Sangke on 28 March; between Phum Pangkasei and Phum Thmei on 29 March; and near Treang, at Phum Boeng and Phum Kandieng on 30 March, killing or wounding 222 enemy troops in these attacks.

#### The Oddar Meanchey battlefield:

In Samraong district, we attacked the enemy at O Choar, on the large road and at Phum Pongtoek from 19 and 27 April; and at Phum Kou on 20 April. In Anlung Veng district, we launched daily attacks on the enemy between 14 and 19 April. As a result of these attacks, 307 enemy troops were killed or wounded in Oddar Meanchey Province.

"In sum, on these battlefields, we put out of action 529 enemy troops, destroyed 5 trucks, and seized a quantity of weapons, ammunition and materiel."

#### Southwest Region

BK061352 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 2 May 80

[Excerpt] With the support and cooperation of the local people in all villages, communes and districts who actively joined them in all forms of struggle against the Vietnamese enemy, our comrades-in-arms of army and guerrilla units in the southwestern region have overcome all sorts of hardship--arising from the fact that the Vietnamese enemy have destroyed the economic establishments and food supplies in their efforts to massacre our people with the use of famine--and have strived to implement our three combat tactics in a better, more effective and more lively manner, intensifying guerrilla attacks against the Vietnamese enemy everywhere, including in villages and communes adjacent to the Vietnamese border.

In March, the guerrilla attack movement of our comrades-in-arms in the southwestern region made great headway. During the month of March, our comrades-in-arms killed or wounded 1,044 enemy soldiers, including a Vietnamese division commander and 36 regimental, battalion and company commanders, destroyed 7 military vehicles, a motorcycle, 2 12.7-mm machineguns, 2 M-30's, 3 B-40's, 9 AK's and AR-15's and 34 pistols, and seized a drum-magazine gun, 15 AK's, 3 AR-15's, 2 pistols, 35 B-40 rounds, 40 mines, 70 cans of international humanitarian food aid and some war materiel.

Their production of primitive weapons was as follows: Our comrades-in-arms planted 37,780 new punji stakes, made 13,420 new punji stakes for pitfalls, dug 198 new pitfalls and felled 240 trees to block roads.



## Western Region

BK061415 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 3 May 80

[Excerpt] Last March our comrades-in-arms in the western region, united as one with the local people and overcame all obstacles and difficulties created by the Vietnamese enemy. They held aloft the banner of struggle, implemented the guerrilla war line and particularly the three combat tactics in a constantly active and lively manner. Our troops vigorously, courageously and relentlessly attacked the Vietnamese enemy aggressors, constantly wearing them down and destroying a large number of their manpower. As a result, in March our comrades-in-arms killed or wounded 341 enemy troops, destroyed 2 10-wheel trucks, an M-30 machinegun, a 12.7-mm machinegun, an M-79, 3 B-40's and an AK, and seized a B-40, 5 AK's, an M-79, 907 AK rounds, 35 cans of international humanitarian food aid and some war materiel.

As a result of their efforts to produce primitive weapons, 332,450 new punji stakes have been planted, 85,800 new stakes have been made, 1,320 new pitfalls have been dug, and 630 trees have been felled to block roads.

### 521 Enemy Incapacitated

BK070955 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 3 May 80

[Summary] Our army and guerrillas throughout the country have intensified attacks against the Vietnamese aggressors, inflicting more losses on them.

"The Oddar Meanchey battlefield: We attacked the Vietnamese west of O Choar, north of Phum Pong Toek and at Anlung Thmar on 20 April, killing 17 and wounding 12. They hit our mines and fell into punji pitfalls, suffering 19 killed and 14 wounded. On 21 April we attacked the Vietnamese at Thnal Thom and when they moved northward from Anlung Thmar, killing three and wounding four with nine others killed and six wounded in mine explosions. On 22 and 23 April we attacked the Vietnamese west of Trapeang Trav, north of Phum Tonsay Reak and at Phum Tonsay Reak, killing 4 and wounding 6 while 14 others were killed and 10 were wounded in mine explosions. On 23 April a Vietnamese vehicle loaded with rice moving west from Phum Samraong hit our mine and exploded. Eight enemy troops were killed and five others were wounded. On 24 April a Vietnamese vehicle moving west from Phum Ku hit our mine and exploded, killing four Vietnamese--a regimental commander, a battalion commander and two company commanders--who were returning from giving military training to their troops. Also on 24 April we attacked the Vietnamese at Phum Khteah, killing seven and wounding five. On 25 April a Vietnamese vehicle moving west from Samraong hit our mine and exploded, killing 5 and wounding 10 aboard. On 26, 27 and 28 April we attacked the Vietnamese at Phum Koul, when they moved west from Anlung Thmar and when they moved from Phum Chheu Kram to Phum Kbal Sar, killing 32 and wounding 32."

#### **The Battambang battlefield:**

In Samlot district, we attacked the Vietnamese at Daeum Turen and O Choar 7 times between 15 and 17 April, at Phum Kanhchang, in the vicinity of Phum Ta Sanh, at Phum Anlung Puok, O Trav, when they moved from O Ta Toeng to O Choar, at a place between O Ta Toeng and Bor Lang, when they moved from O Ta Toeng to the south and at Phum Pream between 20 and 24 April, and at an area between Phum Bor Lang and Phum Chumteng Luoch, at O Choar, west of O Choar, when they moved from O Ta Toeng to Phum Samlot, at Phum O Chrap and at Phum Sre Andong between 24 and 26 April, killing or wounding 173 enemy troops, destroying 3 AK's, an M-79 and 2 houses and seizing 30 meters of telephone wire.

"In Mongkolborei district, we attacked the Vietnamese west of Phum Chammaom on 28 April, killing 11 and capturing alive a Vietnamese captain."

On the Sisophon front north of Route 5, a Vietnamese vehicle moving from Nimit to Sisophon on 17 April hit our mine and exploded in an area east of Daeum Pou Bei Daeum, killing seven enemy troops aboard. We attacked the Vietnamese at Phum Mkak on 19 April, and north of Phum Yeang, at Phum Mkak and east of the main river on 21, 24 and 25 April, killing or wounding 28 and seizing 300 AK rounds.

In Thmar Puok district, we attacked the Vietnamese at Phum Ta Ma, Phum Lbaeuk Svay and Phum Khvav between 16 and 18 April, and at an area north of Phum Lbeauk Svay on 25 April, killing or wounding 75.

"In sum, on all these battlefields we killed or wounded 521 enemy troops, including a regiment commander, a battalion commander and 2 company commanders killed, destroyed 2 houses and 4 vehicles and seized a quantity of weapons, ammunition and materiel."

#### **708 Killed or Wounded**

BK070957 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 4 May 80

[Summary] At the beginning of the current rainy season, our army and guerrillas on all battlefields throughout the country have intensified guerrilla attacks against the Vietnamese enemy, inflicting more heavy losses.

#### **In southwestern region battlefield:**

In Kompong Trach district, we attacked the Vietnamese at Phum (Praput) and Phum Sophi on 11 and 12 April, and at Phum Angkor Chey and Khum Sre Chea on 14 April, killing or wounding 19 and seizing 4 AK's, a drum-magazine machinegun, 500 AK rounds and 2 B-41 rounds. "On 15 April we set ablaze a Vietnamese tank at Phum Angkrong in Sre Chea commune, killed 21 enemy troops and wounded 16. On 17 April we attacked the Vietnamese at the border

canal east of Ha Tien, destroying a 7-hrp motorboat, killing 22 enemy troops, wounding 44 others and seizing 10 gunny-bags of rice and a quantity of war materiel."

In Kampot district, we attacked the Vietnamese at Phum (Pralay) and Phum (Meanrith) on 13 and 15 April, and at an area south of Phum (Don Lav) on 20 April, killing or wounding 10.

In Chhuk district, we attacked the Vietnamese above Chamkar Andong, and at Phum Krasang Meanchey and at Phum (Ang Romeas) on 17 April, killing or wounding 32 enemy troops.

In Tuk Meas district, we attacked the Vietnamese at Phum Khcheay, Trapeang Niel and Trapeang Tra Kiet between 2 and 10 April, killing four and wounding many others.

The western Leach district battlefield:

We attacked the Vietnamese at 4 places on 25 April, at another 4 places on 26 April, and at 11 places on 27 April, killing or wounding 80 with 69 others killed or wounded in mine explosions.

The Battambang battlefield:

On the Kamrieng front, we attacked the Vietnamese at Hills 182 and 187 from 10 to 16 and 21 to 26 April, at an area between Hill 100 and Ta Sok hill on 19 April, at O Pryaut on 22 April, and at Chamkar Trang, when they moved from Ta Sok hill to O Lhong and at (Veal Ti Pi) on 23 and 24 April, killing or wounding 234 enemy troops, including a company commander wounded, seizing a quantity of weapons, ammunition and liberating a position west of O Prayut. On the Sisophon front south of Route 5, on 23 April we routed a Vietnamese offensive operation at Phum Ta Kong, killing or wounding 157 enemy troops, including a battalion commander, seizing a quantity of weapons, ammunition and war materiel.

"In sum, on all these battlefields we killed or wounded 708 enemy troops, including 2 Vietnamese commanders, destroyed a tank and a motorboat, seized 23 assorted weapons and a large quantity of ammunition and war materiel and totally liberated a position west of O Prayut on the Kamrieng battle-front."

#### 355 Casualties Reported

BK080926 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 5 May 80

[Summary] Our army and guerrillas throughout the country have further heightened their vigilance so as to protect our forces to the utmost, and have vigorously intensified attacks against the Vietnamese so as to inflict heavier losses on them.

#### The central region battlefield:

In Cheung Prey district we attacked the Vietnamese at (Phsap Aov) on 14 April and at Phum Prek Kuy on 17 April. We killed or wounded 13 and seized an AK and a quantity of food supplies. In Baray district on 23 April we set a Vietnamese vehicle ablaze at Phum (Rumnong) and killed 10 enemy troops. In Chamkar Leu district on 24 April the Vietnamese, moving from Spoe to Trapeang Sangke, hit one of our mines. One was killed and four were wounded.

#### The western region battlefield:

In Thpong district we attacked the Vietnamese west of Amleang, when they moved westward from Roleak Kang Cheung and at Phum Chambak Em on 1 and 2 April, and west of Phum (Tong Hong) and east and south of Phum Trapeang Chou between 3 and 5 April, killing or wounding 29 enemy troops and seizing a quantity of weapons and ammunition as well as 500 AK rounds.

On the front south of Baribo we attacked the Vietnamese when they moved from Phum (Kaoh Bao), at Phum Tuol Khpos and Phum Trapeang Ampil between 1 and 3 April, and at Phum Choam and west of Phum Tuol Khpos on 4 and 5 April. When they moved southward from Phum Prey Mul, we attacked them again at the Toek L'ak dam and north of Khlong Popok between 6 and 9 April. We killed or wounded 65, including some killed or wounded by punji stakes.

On the front north of Baribo we attacked the Vietnamese at Phum (Phteah Sdok), Phum Chheu Tom, Phum Kandal, in the vicinity of (Prom) and west of (Phteah Chey) on 1 and 2 April, and at Phum Chheuteal Chrum, Phum Thnal, Cham Thmei and west of Phum Thnal between 3 and 5 April, killing or wounding 31 enemy troops.

#### The Koh Kong battlefield:

We attacked the Vietnamese east and west of the main river and at O Dach on 28 April, killing 21 and wounding 21 with 7 others killed and 5 wounded in mine explosions.

#### The Battambang battlefield:

In Samlot district, we attacked the Vietnamese at O Ta Tiek, Phum Kanchang and at Anlung Puok on 24 and 25 April and on a new trail and at Anlung Puok on 26 April. We attacked when they moved from Samlot district at O Reang Khen, from Samlot to O Chrap and from O Ta Toeng to Samlot, at O Reang Khen hill, at Phum Chenchaeum Kre and Phum Kanchang on 27 April. On 28 and 29 April, we attacked Phum Ta Sanh, Anlung Puok and again when the Vietnamese moved from Bor Lang to Chumteng Luoeh, killing or wounding 146 enemy troops, including those killed or wounded in mine explosions and the burning of an enemy camp. We also seized a quantity of weapons.

"In sum, on all these battlefields we killed or wounded 355 enemy troops, set a vehicle and a camp ablaze and seized a quantity of weapons, ammunition and other materiel."

#### Eastern Region

BK080928 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 5 May 80

[Excerpt] Despite thorough control and barbarous and fascist oppression, arrest, detention and massacre by the Vietnamese, our guerrilla comrades-in-arms in the eastern region have united as one with our people in all localities. They have held aloft the combat banner, constantly attacked the Vietnamese aggressors and repeatedly crushed their manpower. As a result, in March our comrades-in-arms killed or wounded 248 enemy troops, destroyed 2 10-wheel trucks, a B-40, 4 AR-15's, 2 AK's and a C-25 radio set, and seized 2 drum-magazine machineguns, an M-79, a B-41, 12 60-mm mortar rounds, 10 M-79 rounds, 15 B-41 rounds and a quantity of other war materiel.

CSO: 4212

## KAMPUCHEA

### BRIEFS

GREETINGS FROM U.S. CP--On the occasion of the fifth anniversary of victorious 17 April and the founding of Democratic Kampuchea, the Central Committee of the U.S. Marxist-Leninist Communist Party sent a message to Khieu Samphan, chairman of the State Presidium and prime minister of Democratic Kampuchea, extending warm congratulations to the Kampuchean people and Government of Democratic Kampuchea. The message reads: At present, Kampuchea is facing most brutal and savage acts of aggression and massacre by the Vietnamese enemy, causing boundless suffering and misery to the Kampuchean people. However, the sense of patriotism generated by the great 17 April victory will never die. The message adds: We are confident that the Kampuchean people will surely recover the independence and sovereignty of their country and restore the beauty of Kampuchea. [Text] [BK241238 Voice of Democratic Kampuchea [Clandestine] in Cambodian to Kampuchea 2330 GMT 23 Apr 80]

CSO: 4212



# INDONESIAN AMBASSADOR'S IMPRESSIONS OF SITUATION IN LAOS

Jakarta KOMPAS in Indonesian 18 Mar 80 p 7

[Article: "Ambassador Sufri Yusuf: in Laos There are 80,000 Soviet Troops"]

[Excerpts] The Soviet Union has stationed about 80,000 troops in the territory of the Lao People's Democratic Republic. The stationing of the Soviet troops has been admitted by the Lao Government itself. So stated the Indonesian Ambassador to Vientiane, Sufri Jusuf, after being received by President Soeharto at Cendana on Saturday [15 March] to report after the end of his mission.

Apart from that, said Sufri Jusuf, Laos also receives arms and munitions from the Soviet Union. Indeed, in carrying out the reorganization of its armed forces, Laos also receives assistance from the Soviet Union, including the training of its air force. The leadership and staff personnel of the Lao armed forces are provided by Vietnam, said the Ambassador.

According to Sufri Jusuf, this is a result of the fact that Laos has a "special relationship" with Vietnam. In this connection Laos is required to consult with Vietnam in carrying out its foreign policy. That is perhaps why the attitude of Laos towards ASEAN is the same as the attitude of Vietnam, that is, a desire to have good bilateral relations with the respective states which are members of ASEAN.

Like Vietnam, Laos also still feels what they call the "danger from the North," that is, from the PRC. Apart from the "danger from the North," Laos also fears the fascist and guerrilla activities of the "Meo" tribe, as well as of some former members of the royal army, Sufri Jusuf added.

In general, it can be stated that the situation in Laos, with a population of about three million, is rather good. They are trying to undertake the development of the country. Laos has just finished experiencing the "30 years war." Therefore, there are still many weaknesses, like the need to develop national unity and train government officials. "That is a very large task which they must accomplish," said Sufri Jusuf.

He added that, in terms of potential, Laos is very rich. Laos considers it very important to carry out development along the Mekong River. But this has not yet been done because the question of Cambodia has not yet been resolved. Now, Laos lives from the export of wood and coffee and the export of electricity to Thailand. But Sufri Jusuf did not provide any data.

Regarding the matter of refugees from Laos, he said this was about 5000 per month. This is a figure from the UNHCR (UN High Commission for Refugees). In general, they hope to be able to go to France. But before they reach this goal, the majority of the Lao refugees go to Thailand.

Lao relations with Indonesia, according to Sufri Jusuf, are very good, because there is mutual understanding and an attitude of mutual respect. This is because Laos considers that it can speak to Indonesia in a single language, that is, the "language of revolution." These were the views of Sufri Jusuf, who served in Laos from February 1977 to the end of March 1980.

5170

CSO: 4213



## INDIA SEEKS CESSATION OF ARAB AID TO PAKISTAN

Karachi JASARAT in Urdu 15 Mar 80 p 1

[Text] New Delhi, 14 March--India has launched a sustained campaign to prevent Pakistan from acquiring arms supplies from all channels, Indian Law Minister Shiv Narain Shankar disclosed in the Lok Sabha today. The United States, China, France and Arab countries, he said, are supplying arms to Pakistan. Further, he said, military and economic aid totaling 2 billion dollars have been given to Pakistan by China, while India has warned these countries that arms supplies will endanger the peace and security of the region. The United States has been told that if it supplied arms to Pakistan, India would consider it an unfriendly act. The Indian Law Minister also said that Indian ambassadors have been instructed to convince Arab countries against aiding Pakistan. Quoting the Voice of American, Shiv Narain Shankar told the Lok Sabha that China has provided Pakistan with military and economic aid worth 2 billion dollars. He said India is fully conscious of the fact that China, France, the United States and some Arab countries are supplying arms to Pakistan. However, he refused to divulge his sources of information. He said India has informed these countries that arms supplies to Pakistan will create an imbalance in the subcontinent and endanger peace and security in the region. Citing the BBC, the law minister told the Lok Sabha that India has made it abundantly clear to the United States that providing arms to Pakistan would be viewed as an unfriendly act from the point of view of India. Nevertheless, he told members of Parliament that recent talks in Islamabad have proven fruitful in creating a better understanding between India and Pakistan.

9557

CSO: 4211

# BUDGETARY PROCESS EVALUATED

Quetta JANG in Urdu 10 Mar 80 p 2

[Editorial: "Consultation on New Budget"]

[Text] Financial and economic experts from military and provincial governments have started consultations on the 1980-1981 budget, according to an informed source. Top officials of the ministry of finance and the Central Board of Revenues will meet shortly in Rawalpindi. Subsequently, they are expected to visit the provincial capitals and other important places, with a view to meeting taxpayers and representatives of various segments of society and seeking their views on next year's budget. Provincial treasury departments have sent letters to economic experts and important personalities in their provinces soliciting their views in preparation for the budget, which is considered the most important function of any government. The success of the country's annual economic program depends on an accurate and well-balanced budget. This is one of the reasons why the budget is hotly debated in national and provincial assemblies. Economic changes and proposals regarding reduced tax revenues are regularly discussed and reviewed in the assemblies even during the fiscal year. As a result, there is no room for treasury officials to increase taxes arbitrarily, or after approval, to impose taxes at will.

The government is aware of this. Therefore, it seeks the views of experts and others in society. However, there is one problem--the public and taxpayers are kept completely in the dark while the proposals of experts are presented to officials. The logic in favor of these proposals, and reasons for rejection or acceptance, are usually an unknown factor. Another drawback is that the entire process of rejection or acceptance is left in the hands of a few officials who consider themselves experts, although they are not infallible.

Assemblies cannot be done away with. However, local elections have changed all this. Now, local councilors are vehicles to represent the views of the public. President Zia-ul-Haq has summoned a convention of local councilors in Islamabad to ascertain public views on national issues. Another convention ought to be convened to ascertain public views on budgetary proposals and on

approval of the budget. Almost all segments of our society are represented in the local councilors, and there are quite a few experts among them as well. Therefore, it would be better that the next fiscal budget be presented to elected members at a convention. After proper discussion, it ought to be approved. Proposals from these fiscal experts should be sought and discussed by the representatives of people in some gathering, so that the public may feel that it has had a hand in the decisionmaking process of budgetary matters.

9557

CS0: 4211

## TRADE DEFICITS WITH EEC INCREASE

Lahore THE PAKISTAN TIMES in English 22 Apr 80 p 7

[Text] Karachi, April 21: Pakistan's trade deficit with the nine European Economic Community countries have increased considerably during last three years.

According to an official study Pakistan's trade imbalance with the EEC countries have swelled up to 505.62 million dollars during last fiscal year as against 248.61 million dollars in 1976-77 and 457.57 million dollars in 1977-78.

During these years Pakistan's exports to EEC countries has jumped from 260.58 million dollars in 1976-77 to 270.62 million dollars in 1977-78 and finally to over 411 million dollars in last fiscal year 1978-79.

Imports from EEC countries to Pakistan during these three years also recorded a steady growth from over 545 million dollars in 1976-77 to more than 728 million dollars in 1977-78 and to 916.65 million dollars in 1978-79.

Of the nine EEC countries which include Belgium, Denmark, France, Irish Republic, Italy, Luxemburg, Netherlands, United Kingdom and West Germany, Pakistan has been suffering deficit with almost all of them except a few marginal surpluses with a few of them.

Of these countries Pakistan's total two-way trade volume with Britain has been the highest amounting to 360.40 million dollars followed by West Germany with which the trade was done the tune of over 315 million dollars during the last fiscal year.

CSO: 4220

WORLD BANK AID FOR WATER PROJECTS

Lahore THE PAKISTAN TIMES in English 27 Apr 80 p 10

[Text]

ISLAMABAD, April 26: The World Bank has shown keen interest to support the on-going US-AID financed pilot projects of water management in different areas of the country, it was reliably learnt here today.

Official sources said that such an assistance would be beyond December 1980 when the American loan agreement comes to be operative.

The World Bank had convinced itself of the US-AID approach through a joint evaluation of the projects. The basic elements remaining the same, the major changes would be made in the procedures to do away with the constraints faced by the project.

The bank has indicated a loan commitment of 40 million dollars over a period of three years. The respective Provincial agriculture departments would be working with the US-AID help on the feasibility reports though the schemes have already been approved and are available.

The World Bank, however, desires to have more information for its appraisal mission which is expected to arrive here in September so that the loan becomes operative from January 1981.—APP.

## IMPORTATION OF 19 CARGO VESSELS SET

Lahore THE PAKISTAN TIMES in English 25 Apr p 10

[Text]

KARACHI April 23: The iron and coal berth at Port Mohammed Bin Qasim has been completed and is fully operational, waiting to receive the first ore-carrier within the next few months, the Communications Minister, Mr. Mohyuddin Baluch, said here today.

Inaugurating a seminar on ports and shipping problems and policies—at Habib Bank Plaza, he said four multi-purpose berths were also nearing completion at Port Qasim and contracts for three more berths would shortly be awarded. When these berths were completed and fitted out with the planned mechanised bulk cargo handling equipment the Karachi Port would be greatly relieved and would have enough capacity to handle the cargo till 1985, he added.

With the completion of oil pier (No. 4) of Karachi Port, the requirements for the handling oil imports would be met until 1990.

Similarly, with the construction of the four shipping berths at Juna Bunder, Karachi Port would have enough berthing capacity for break-bulk cargo.

The Minister said ports and shipping as a subject had occupied priority in the Government policies. He recalled the following steps taken by

the Government in this field:

Improvement and development of Karachi Port facilities: Port Qasim—a new and original venture in the process of construction.

Development of a mini port at Gwadar to serve as a fish harbour.

Augmentation of the Pak National Shipping Corporation fleet through acquisition of new ships.

Work orders for Karachi Shipyard and Engineering Works.

New campus for the Marine Academy.

The principal concern of the Government in ordering these affairs had been optimum utilisation of existing resources, attainment of higher efficiency and output through the interaction of man and machine in the existing establishments. He lauded the "spectacular performance" of Karachi Port, where ships were berthed within hours of their arrival and where berths were even lying vacant due to efficient handling of the incoming vessels. The Minister appreciated the role of the Karachi Port Trust management and the workers the National Logistic Cell, the Customs, the Railways, the Dock Labour and its organisers who contributed to this healthy deve-

lopment. But, he warned against any complacency. To sustain the tempo of progress those who had jointly met the challenge, must further improve their performance. The Government's policy, he added, was to provide enough berthing capacity for ship within the limits of financial, physical and hydrographic constraints.

About the development of shipping fleet, he said contracts have been concluded for the acquisition of 19 general cargo vessels of 15,000 dwt each, with the assistance of friendly countries.

He said the Government is now turning attention to the acquisition of tanker fleet, as it is felt that lack of having own crude carrying capacity has left the country most vulnerable both economically and strategically.

The Minister also made it clear that Government will acquire new vessels as he explained "our experience with second hand tankers in the past has been most unhappy".

After this he pointed out the Government will turn its attention to bulk carriers, so that in due course of time all requirements of Pakistan Steel Mills for coal, ore and coke are met through it.—APP/PPI.

## HIGHER AGRICULTURAL TARGETS LISTED

Lahore THE PAKISTAN TIMES in English 25 Apr 80 pp 6, 7

[Article by M. Aslam Hayat]

[Text]

**ALTHOUGH** the Federal Government, announced its new agricultural policy on February 24, the new package of incentives for growers unfolded on April 14 marks another step towards further boosting the national agricultural drive for production of major crops with a view to achieving higher productivity and stability in prices.

Since a normal agricultural year demands a satisfactory growth for all types of crops, a consolidated policy spread over the entire year with all its incentives and temptations for the farmers is now considered essential to the performance of the agricultural sector which accounts for one-third of the national gross domestic product.

The new package of measures for 1980-81 includes higher support prices for cotton and higher procurement prices for rice and wheat as a measure of compensation to the growers against their higher costs of inputs after partial withdrawal of subsidy on fertilisers and pesticides and also

to ensure more attractive returns to the farmers.

After a successful cotton crop of over four million bales last year with an export surplus of over two million bales, the target for the next crop has now been fixed at 4.3 million on which is about 7.5 per cent higher. Although the prices of lint cotton would be announced in August next before the cotton crop commences on first September, it is rather heartening that the support prices for seed cotton announced on April 14 are: D-156 per maund, AC-184 NT & BS-1 upto 1" Rs. 180 per maund, B-587 and 148-F upto 1-3/32" Rs. 71 per maund; and Barmate, Qalandari MS-59 & MS 40 Rs. 182 per maund. With improvement in inputs and availability of certified seed upto 45 per cent of the crop needs against only 31.6 per cent last year, the per hectare production of cotton is expected to go upto 375 kgs. against last year's average of 330 kgs.

The pattern of support prices indicates that Pakistan is fast heading in the next crop towards more plentiful supplies of its own medium and long staple varieties whose availability at attractive lint prices would encourage the textile industry to produce high quality textiles at a cost more compe-

titive than the existing one, provided a satisfactory export momentum is maintained to win the competitive foreign markets.

The prospect of another pest-free bumper quality crop duly sustained by farmer's determination should also encourage the textile manufacturers to re-organise their cost management combined with higher technical efficiency and more reasonable profits. In the absence of hedge trading, the Government's basic cotton prices for various varieties should assure the farmer of a better crop return and the Cotton Export Corporation of a renewed drive for export of surplus cotton in close co-operation with private commission agents whose number in the next crop should be increased to justify their active participation in cotton trade.

Another vital measure required is the timely assessment of the size of the cotton crop which should be announced on a definite date soon after the crop commences in September so that CBC's export contracts are protected against the foreign price edge over Pakistan's comparable varieties for export and the textile industry can contract for easy stockpiles of their raw material without in any way competing with CBC's export market operations.



A more encouraging aspect of the cotton crop is that old varieties have been replaced by new upland high yielding varieties like BS-1, 149-F, MB-89 and B-557 in the Punjab. ZS-1 is being replaced by D-9, the latest Desi variety in the Punjab. In Sind, M-100 is being replaced by three new and superior varieties, V-12 H-59-1 Qalandri, S-99-1 Sarmaat and K-68-9. Among Sind Desi TD-1 is being replaced by SKD-10/19. BS-1 has already been approved for commercial cultivation in the NWFP areas. According to the Cotton Export Corporation, these varieties are intended for general cultivation according to their ecological suitability.

The rice production target of 3.6 million tons for the next crop is excess of last year's peak yield of 3.2 million tons should enable us to feed the foreign markets more adequately. The new procurement price for basmati paddy at Rs. 70 per maund and Irri paddy at Rs. 56 should encourage the rice growers to exceed the new target, provided adequate water supplies are made available and the rice crop is kept under a stringent surveillance against pest attack and other unfavourable factors.

Last year's experience in Sind in 12 villages to grow 74 maunds of paddy per acre would be repeated in six lakh acres in Gujranwala. With a supervised cultivation under a new technology in a pilot project, it is proposed to increase the rice plants from 50,000 to one lakh per acre. There is a good prospect that with improved technology for intensive cultivation of rice in an area 19.9 per cent lesser than last year, we shall be able to achieve a spectacular increase in production.

Any further increase in rice production must also take into account the world rice situation so that our export varieties may achieve higher export performance.

The production of basmati rice, which accounts for one-fourth of the total rice pro-

duction and also earns the bulk of foreign exchange from rice exports, can be further improved for the traditional markets not only by reducing its broken content but also by further extension of modern rice milling techniques. We have yet to implement our scientist's recommendations to grow two basmati crops in particular areas.

The procurement price of wheat has been announced at a rather appropriate time when we are pretty sure of the forthcoming bumper wheat crop whose output might exceed 10.8 lakh tonnes, exceeding last year's record level of 9.93 lakh tonnes. To compensate the farmers against their incidental charges on labour, electricity and diesel, the wheat procurement price has now been raised from Rs. 45 to Rs. 46.5 per maund, although a section of wheat producers might be justified in asking for a higher price which has little or no justification in a bumper crop whose reserves and storage must be built as quickly as possible.

A modest increase in wheat procurement price is justified when we are participating a bumper wheat harvest largely for home consumption. Wheat is our staple diet and any increase in wheat production facilitates the supply of food for the common man, whereas rice which is not our national staple diet is good enough for boosting our export earnings.

The new sugarcane prices effective from the new crop should lend a considerable support to higher crop yield per acre from the existing 40 maunds to 680 maunds or even up to 800 maunds, which is quite possible, provided the agricultural extension services can provide the timely guidance.

To boost sugar production to a record level, all 31 sugar mills producing in excess of last year's average will be exempt from excise duty under

the new policy up to 100 per cent. The sugar mills themselves should also acquire land on lease to grow their own high yielding varieties to encourage the neighbouring farmers to concentrate on quality production. A consistent drive towards raising higher yield per acre would in any case defy the so-called recurrent sugarcane cycle and also pave the way for liberalising the national consumption of sugar through a free market. In addition to the prospect of some surplus for export in the near future.

While the broad-based policy on major crops aims at encouraging the private agricultural sector with government institutional facilities and incentives, there is also urgent need for a consolidated annual policy on all minor crops whose price structure and output are considerably influenced by the prices and output of major crops. Our minor crops can flourish better on a definite basis, provided the Provincial Governments take prompt steps to set up green belts around all towns ranging in population from 10,000 to 25,000 or even more. In these belts, we can stimulate the production of vegetables, fruits, fodder, livestock, dairy farming, fisheries, pulses, spices and oilseeds, nearly all of which are in short supply throughout the country and require to be produced on

a compulsory basis so that the common man can obtain his food supplies at stable prices throughout the year.

Even if the landlords are distrustful of the co-operative concept of promoting green belts where they live, they can boost green belts of their own by obtaining necessary facilities from the local government agencies. The income from green belts over a limited area would be several times larger than the income from the existing lands under major crops.

Apart from the urgency of green belts for intensive farming around each town, a more vital agricultural sector which requires urgent attention is the production of animal proteins to fill the ever-widening protein gap. While it is a good idea to promote animal breeding through co-operative farming, it would also be worthwhile to promote large-scale animal production in the corporate agricultural sector with foreign investment and technical know-how.

Without a well-coordinated policy on boosting green belts, animal production, oilseeds and cotton oils and several other minor crops, it would be difficult to achieve a reasonable price level for the essential food products generally required by a common man for his day-to-day working life and good health.

PAKISTAN

HIGHER WHEAT PRODUCTION IN 1980 REPORTED

Karachi MORNING NEWS in English 3 May 80 p 4

[Text] Losar (Wah), May 2: Pakistan would import one million tons of wheat this year to build up buffer stocks.

This was disclosed to newsmen by Federal Minister for Food, Agriculture and Cooperatives, Rear Admiral Mohammad Fazil Janjua, after inaugurating the wheat harvesting campaign here on Wednesday.

But the import would not burden the national exchequer because, the Minister stated the import would be made under PL-480 programme and from donor countries.

Admiral Janjua said this year the wheat production at 10.8 million tons would be higher than the target of 10.6 million tons fixed for the year. He said country's wheat requirement during this year would be 11 million tons.

Rear Admiral Janjua called upon the scientists to bring the application of modern research in the farmers' fields. He said Pakistan Agricultural Research Council is continuing to provide the farmers results of the scientific methods of cultivation.

The Minister stressed the need to bring more barani areas under plough. Barani land constitute two-third of the total area under cultivation, he noted.

The Minister apprised the farmers of the government's new agricultural policy and explained to them persons for reducing the subsidy on fertilizer. Side by side, he said, the Government had provided the farmers a number incentives. Dr Baz Mohammad Khan, Director of Research, Soil and Irrigation, PARC, in his welcome address said that the council had launched a new approach for improving the farming system in the barani areas in order to ensure growing of at least two regular crops per year and to realise the potential yields of the crop. Dr Baz said the new approach has been based on the Chinese system of small farm technique which employ conserving of rain water with improving the fertilizer use efficiency and farm technique.--PPI

## PAKISTAN

### ADMINISTRATIVE LACK OF COMMUNICATION MAY HINDER RICE YIELD PLANS

Islamabad THE MUSLIM in English 29 Apr 80 pp 1, 8

[Text] Islamabad, April 28--There seems to exist a wide gap of communication between the IRRI experts and the local extension-service departments, giving rise to fears that plans to double the rice yield in the near future may not take off the ground.

While there is a strong determination in the capital, reinforced by the Food Minister only yesterday, to fully use the IRRI services the administration at district level appears completely unaware of this mood.

Consequently, the IRRI project to introduce new technology in the cultivation of 625,000 acres of rice in Gujranwala District is in a state of complete suspension now when the seedling has started.

A source who recently met the IRRI experts said they were disappointed with the amount of co-operation they were getting from the domestic sources and added that unless massive mass media campaign to popularise the new rice technology is launched, the IRRI projects would get nowhere.

The IRRI project envisages an absolutely new technology of rice cultivation including the dry use of fertilisers. Such a use of them is 100 to 200 percent more effective in the recovery of output.

They have also expressed fears that in the case of Pakistan the entire rice crop is under attack by a new insect called whit-back plant hopper, which is resistant to all types of insecticides now being used in this country. Unless something is done about it, the entire rice crop may be endangered, they added.

CSO: 4220

## VAST RESERVES OF MINERAL ORE IN BALUCHISTAN

Lahore THE PAKISTAN TIMES in English 26 Apr 80 p 9

[Text] The integrated mineral project in Baluchistan 470 km west of Quetta and 30 to 18 km from the borders of Afghanistan and Iran has vast reserves of 72 million tons of mineral ore.

Among other minerals, there are reserves of about 18 lakh tons of copper and 24 million ounces of gold (worth RS 10,000 crore). The project can generate an annual profit of \$70 million after an investment of Rs 300 million. A number of foreign companies are interested in investing funds in the project. Besides generating revenue, the project can provide job opportunities for 1,000 persons.

These facts and figures were revealed by Dr. Naseer Sheikh, Senior Research Officer, Ore Processing and Metallurgy Division PCSIR, while addressing a seminar on Development of mineral resources of Pakistan held on Thursday at PCSIR Laboratories under the auspices of Pakistan Metallurgical Engineers.

Dr M.K. Bhatti, Director, PCSIR Laboratories, who was in the chair, in his address presented a gloomy picture of state of affairs in PCSIR. He deplored the attitude of some high officers of the Council.

He called on the Institute members to form a committee to look into the matter and suggest measures to meet the challenges facing them.

Dr. Bhatti took exception to the fact that only 0.2 or less of the GNP was being spent on scientific research in Pakistan. He said U.S., Japan and Western Europe were spending four, two and three percent of GNP on scientific research. He said, according to 1976 statistics, the number of scientists engaged in research in Pakistan stood at 4,992.

In U.S. and Japan the number stood at 12 lakh and six lakh.

Rana Mohammed Sultan, Chief Inspector Mines, Punjab, who read a paper on "vital element and mineral development" said lack of communication among 30 agencies engaged in various mining activities was affecting adversely progress in mineral development. He lamented that in the absence of any institution which could produce supervisory staff and skilled labour for mineral development, 28 percent of the total jobs in the sector were lying vacant. This figure may rise to 49 percent in future, he said.

CSO: 4220



# ALLOCATION OF FUNDS FOR MINERAL DEVELOPMENT REPORTED

Lahore THE PAKISTAN TIMES in English 24 Apr 80 p 10

[Text]

\* Lt-Gen (Retd.) Ghulam Hasan, Federal Minister for Production and Industries, said on Wednesday that the Federal Government had allocated an amount of Rs 2 500 million for the development of mineral resources during Fifth five-year plan.

Presiding over the annual function of mining engineering students society in Lahore he said that the Government had also set up a number of organisations with necessary funds like Pakistan Mineral Development Corporation, Resource Development Corporation and recently a Gemstone Corporation.

He further said that the Government had also set up a Board of Mineral Co-ordination to achieve the results in the mineral sector within the shortest

possible time.

Lt-Gen (Retd.) Ghulam Hasan said that with the commissioning of Karachi Steel Mills, the Mineral sector would get a boost as various demands of the mills would have to be met locally.

He said that the Government had approved the setting up of a mini-steel mills based on Kalabagh ore. In this case the Government had, out of way, given the project to the private sector with the hope of getting better results.

He said that it was self-evident truth the development in a country could be achieved through natural resources. God had blessed Pakistan with rich mineral resources which were yet lying hidden for exploitation.—AFP.

CSO: 4220

# FUNDS FOR BALUCHISTAN PIPELINE PROJECT APPROVED

Karachi DAWN in English 29 Apr 80 p 1

[Article by Mujtaba Akhter]

[Text] Islamabad, April 28: The Federal government is understood to have approved a plan estimated to cost Rs. 660 million with a foreign exchange component of Rs. 430 million, for distribution of natural gas to various parts of Baluchistan.

This scheme, named as "Quetta Pipeline Project" was prepared quite some time ago to meet an old demand of the people in the region. More than 10 cities of the area would benefit from gas facility after the implementation of the new scheme.

A source close to the Ministry of Petroleum and Natural Resources said the 349-kilometer pipeline will soon be laid between Shikarpur and Quetta. The entire survey process regarding the installation of pipelines has already been completed, he added. He further said that the project was planned to be completed by the end of 1982.

The sources said the cities which would enjoy gas facilities after the implementation of the project are Jacobabad, Sibi, Jhutput, Dera Jamal, Jalput, Dara Mach, Kolipur Darwaza and Seryah.

## Compressor Station

Meanwhile, another scheme to install a compressor station at a cost of Rs. 240 million at the right bank of Indus has also been approved by the government. The main purpose of this scheme is to increase the present gas supply and to meet the future requirements of Karachi and Sind region.

The supply provided by the two presently available pipelines was about 270 million cubic feet. But with the addition of another compressor station it was expected to rise to 390 million cubic feet, the sources said. He said that the amount of Rs. 240 million will be given by the Asian Development Bank for this purpose. Meanwhile, other progressive plans including installation of another pipeline in Sind region to provide the people of Sind and Karachi with more gas facilities were also under consideration.

## PAKISTAN

### LUBRICATING OIL RECYCLING PLANTS START OPERATIONS

Karachi JASARAT in Urdu 15 Mar 80 p 1

[Article: "Oil Reclamation Plants Opened in Pakistan"]

[Text] Oil reclamation plants, which refine oil for re-use--the first of their kind--have started operations in Karachi and Lahore. These plants are expected to produce an estimated 45,000 tons of lubricating used-oil useable again. Thus, by the year 1982, 28 million dollars worth of foreign exchange would be saved.

For a long time, used-oil has been refined in Pakistan in a haphazard manner, and its use in vehicles and industrial machines has been more harmful than beneficial. Thanks to the director of oil operations, the reclamation plant, established by Oil Industries Pakistan Limited, would guarantee that the oil reaching the market place would in the future be scientifically refined. In addition, the Hydro Carbon Development Institute of Pakistan would be responsible for quality-control.

The used-lubricating oil is cleaned by acid-clay treatment, filtered, and its octane rating increased and then, the resulting product becomes as fine as core-oil, and often even better.

Approximately 122,000 tons of lubricating oil are needed annually. Currently about 27,000 tons of oil are being imported every year to meet daily requirements. It is hoped the reclamation plants will generate between 40,000 to 45,000 tons annually and thereby save some foreign exchange.

The director of oil operations has already given permission for two additional plants, one to be set up in Karachi and the other in Multan. This would help meet national needs. The cyclical use of the process of this used-oil would also help save energy. Nevertheless, the public has yet to be cautioned regarding the need to conserve and safeguard used-oil, and if the used-oil is needed in greater quantities to run the reclamation plants, then there will be a necessity to set up centers throughout the country where the used-oil could be stored. It is being estimated that by 1982 these plants will be operating at full capacity.

PAKISTAN

PAKISTAN-IRAN CEMENT PLANT FOR BALUCHISTAN

Lahore THE PAKISTAN TIMES in English 26 Apr 80 p 9

[Text] April 25--A big cement factory will be set up at Darwaza, some 20 miles from Quetta near the Kolpur railway station as joint venture between Iran and Pakistan.

The project will cost R\$60 crore. The site for the factory has already been selected and blue prints after thorough scrutiny of the feasibility of the project have been prepared.

The foreign exchange component will be provided by the Iranian Government while the Rupee component will be arranged by the Federal Government.

The project was held in abeyance since the Islamic Revolution in Iran and now the present Revolutionary Government has given go-ahead and placed the orders for the machinery with the French firms which will start reaching Pakistan in the near future.

The production capacity of the factory will be 1,000 tons daily which could later be enhanced under a phased programme.

CSO: 4220

**CARBON BLACK PLANT STARTS PRODUCTION**

Karachi MORNING NEWS in English 22 Apr 80 p 1

[Text] A modern plant with an annual production capacity of 10,500 metric tonnes of carbon black has gone into commercial production to meet the entire demand of the tyre and rubber industries of the country.

The plant, which has brought in a new technology in Pakistan, will not only save an estimated Rs. 16.23 million in foreign exchange, spent on the import of carbon black product, but earn additional foreign exchange of about Rs 33 million per year.

The Managing Director of the National Petro-Carbon Limited, a unit of the State Petroleum Refining and petro-Chemical Corporation Limited (PERAC) told newsmen here yesterday that the plant had been set up at Bin Qasim under the "pay-as-you-earn scheme" at an estimated cost of Rs 160 million including Rs 90 million in the foreign exchange. A French company has designed and established the plant on a turnkey basis under a suppliers credit of Rs 76.8 million repayable in 10 half yearly instalments.

The process is of an American concern.

Replying to a question, he said that the capacity of the plant could be raised to 12,500 metric tonnes and even more.

He said that 95 percent product of the plant would be used in tyre and rubber industries and the remaining in plastics, dyes, paints, etc.

He said that the supply of carbon black from domestic sources would give a fillip to the growing tyre and rubber industries in the country.

To another question, the Managing Director said that India, Thailand, Japan, China, United States and European countries were already producing carbon black. But he added, there was general shortage of this product and hence in high demand.--APP

CSO: 4220

BRIEFS

**COMPREHENSIVE PLAN FOR KHARIF**--The Punjab Government has launched a comprehensive plan as regards cultivation of three major Kharif crops, i.e. rice, cotton and sugarcane which could be sown over an area of 78.74 lakh of acres in the province. According to official sources in Lahore, 29.15 lakh acres of land would come under rice cultivation and target has been fixed at 14.99 lakh tons of produce. The sugarcane would be sown over about 13 lakh acres and the expected produce would be about 191 lakh tons. 36.60 lakh acres of land would come under the cotton cultivation and target has been fixed at 27 lakh bails. The Government has made adequate arrangements to provide fertilisers, water and good quality seed to the growers. The agricultural credits would also be available to the small land owners.--PPI [Text] [Lahore THE PAKISTAN TIMES in English 26 Apr 80 p 9]

**RS 1.2 CRORE SPENT ON AFFORESTATION**--The Punjab Forests Department utilised a sum of over Rs 2.2 crore on its various development schemes by the end of February against a total allocation of Rs. 5.9 crore, it was learnt in Lahore on Saturday. The Department thus utilised only about 40 percent of the total amount allocated for the annual development programme of the Department for the current financial year. The biggest chunk of over Rs. 1.2 crore was spent on afforestation against an allocation of over Rs. 3.6 crore during the first two quarters of the current financial year. A sum of Rs. 46.3 lakh was spent against an allocation of over Rs. 1.5 crore, on management and improvement operations. [Text] [Lahore THE PAKISTAN TIMES in English 27 Apr 80 p 3]

**ADB LOANS FOR WATER PROJECTS**--Islamabad, April 24: The Asian Development Bank will finance the water course improvement projects in Paharpur Canal area at the NWFP and the Thal Canal areas of the Punjab, it was learnt here yesterday. The bank loan will cover 80 percent of the total cost of the two projects which is estimated at Rs 300 million. The projects aim at improving water courses, providing irrigation extension services and other agricultural inputs. The programme will be executed by the Provincial Agriculture Departments and necessary coordination will be provided by the Federal Water Management Wing of the Food and Agriculture Ministry.--APP. [Text] [Lahore THE PAKISTAN TIMES in English 25 Apr 80 p 11]



KARACHI PORT DEVELOPMENT--April 24: A master plan for the development of Karachi Port has been drawn up to establish the potential for the development of an additional 100 berths in the western bay of the harbour, Rear Admiral M. I. Arshad, Chairman Karachi Port Trust said here today while speaking on the role of Karachi Port in the economic development of Pakistan at the two-day seminar on ports and shipping. He emphasised the importance of planning and development of Karachi Port in the national economy in view of its strategic function in assuring continued flow of cargoes and generation of related chain of economic activities. He said that in view of this a master plan for long-term development of the Karachi Port had been prepared by the Karachi Port Trust which was based on in-depth hydraulic investigations and technical studies. The plan envisages integration of compatible road, rail and sea arteries of communication. [Text] [Lahore THE PAKISTAN TIMES in English 25 Apr 80 p 12]

OIL PRODUCTION INCREASE--An increase of nearly 5 percent was recorded in Pakistan's crude oil production during the last financial year over 1977-78, according to a statistical study. This was in sharp contrast to the decline of more than 5 percent recorded in 1977-78 compared to 1976-77. Pakistan's crude oil production was the highest at 3,743,020 barrels in 1976-77, in 1977-78 production declined 3,539,370 barrels. The trend was reversed last year when production rose to 3,710,934 barrels registering an increase of 4.8 percent of the six oil fields Khaur Dhulian; Joya; Mair Balkassar; Tut and Meyal that were on production in 1978-79. Meyal oilfield accounted for more than 67.8 percent followed by Tut 17.2 percent the remaining four fields total production accounted for the balance of about 15 percent. With the coming on stream of Adhi-five joint venture of Pakistan Petroleum and AMOCO the country's crude production would rise still further.--PPI. [Text] [Karachi MORNING NEWS in English 5 May 80 p 5]

DUTCH LOAN--Pakistan Government have contracted a loan of 40 million DEL from the Netherlands investment bank. According to State Bank sources the details of allocations made to the public sector agencies under this loan and the names of the banks designated for handling transactions including opening of letters of credit under these loans have separately been advised to the importing agencies concerned. Funds are also available under this loan for the import of tools and workshop equipment and abrasive powder by the private sector importers to whom import licences may be issued by Chief Controller of Imports and Exports. Habib Bank has been designated to open letters of credit on behalf of private sector importers. The importing agencies in public sector and private sector importers are, however, free to approach the concerned designated banks either directly or through their own bankers for opening the letters of credit. This loan is united one and goods can be procured from Netherlands as well as from other eligible source countries. PPI. [Text] [Karachi MORNING NEWS in English 4 May 80 p 1]

FRANCE TO PROVIDE MIRAGES--According to Indian sources France will provide Pakistan with a squadron of Delta wing Mirages (III/5/50) as well as about 40 Mirage F-1C which will be assembled in Pakistan. We have received no confirmation of this information. [Text] [Paris DEFENSE INTERARMEES in French May 80 p 11]

SOVIET ROTI PLANT--Islamabad, April 24: The Soviet machine tools factory has begun to manufacture the plants ordered by Food Production Industries of Pakistan, Radio Moscow reported. The first consignment of this order which consists of a roti plant having the capacity of baking about fifteen tons of different kinds of double roti and naan daily, is ready for shipment to Karachi. The factory will also send high quality filters to Pakistan by the end of this year. These filters are meant to improve the condition of the workers and to purify the air in the kitchens, the Radio said.--APP.  
[Text] [Lahore THE PAKISTAN TIMES in English 25 Apr 80 p 11]

PAKISTAN HELPS BANGLADESH RAILROADS--Bangladesh has placed an order for the construction of 20 passenger rail cars, the chief inspector of Bangladesh Railways Zaee announced today. He said an agreement will be signed in Dacca in the third week of this month. Zaee, who was heading a four-man delegation to Pakistan, returned to Dacca yesterday. Referring to his talks with Pakistani officials, he said topics discussed included cooperation between Bangladesh and Pakistan, and improvement in current technical cooperation between the two countries on railroads. He said Pakistan is presently providing training facilities to Bangladesh railway officers. Answering a question regarding further cooperation, he said, that a delegation of Bangladesh Railways will visit Pakistan next month, to strengthen cooperation even further. He disclosed that a Pakistani proposal regarding diesel engines for Bangladesh Railways is under active consideration by the Bangladesh Government, and a decision is expected shortly. The delegation toured various railway facilities, and held talks with the secretary of the ministry of railways. [Text] [Lahore NAWA-I-WAQT in Urdu 15 Mar 80 p 10] 9557

CSO: 4211

## IMPORT DUTY CUTS REPORTED

Manila PHILIPPINES DAILY EXPRESS in English 3 Apr 80 p 10

[Text]

**THE** Tariff Commission yesterday clarified certain provisions of the tariff concessions granted by the General Agreement on Tariffs and Trade (GATT).

Chairman Razon T. Haresco of the Tariff Commission explained that the Philippines granted absolute reductions ranging from 10 percent to 50 percent ad valorem on 51 import items.

These concessions were embodied in Executive Order No. 578, promulgated by the President recently to implement the provisions of the Philippines' full membership with the GATT beginning January 1980.

Haresco pointed out that the Executive Order provides that any increase in the Philippine basic rate of duty will not exceed the concession rate.

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**MOREOVER**, in the event of any future increase, such increase shall be accorded the concession rate, even if the increased rate of duty shall exceed the concession rate, the tariff official said.

Mrs. Haresco added that in the case of 11 import products, the Philippines was able to get higher concessions.

The 11 products and the

applicable rates of tariff duty are as follows: cotton (other than linters) not carded or combed, 10 percent ad valorem; albumin 20 percent; calendaring and similar rolling machines other than metal working and metal rolling machines and glass rolling machines and cylinders therefor, 10 percent; centrifuges, filtering and purification equipment except water filters and air cleaners for motor vehicles, 10 percent; poultry equipment including incubators and brooders, 10 percent;

Book-binding machinery, including book-sewing machines, 10 percent; head assembly of industrial sewing machines, 20 percent; machinery (other than sewing machines) for preparing tanning or working hides, skins or leather (including shoe machinery), 10 percent; shafts, gearing, gear-boxes, flywheels, clutches, pulleys, bearing blocks, shims, and other transmission equipment for machinery, 10 percent; electrical (non-electronic) measuring, checking, analyzing or automatically controlling instruments and apparatus and nes, other than electro-mechanical automatic regulators (control units), 20 percent; and, parts and accessories for measuring, controlling and scientific instruments, 20 percent.

## WORLD BANK APPROVES CEMENT FIRM EXPANSION

Manila: PHILIPPINES DAILY EXPRESS in English 3 Apr 80 p 9

[Text]

**THE NORTHERN** Cement Corporation, one of the country's leading cement manufacturers, recently got the approval of both the World Bank special study group and the Rugby Portland Cement Consultants of London (RPCC) to expand its production capacity to one million tons a year.

The expansion is in accordance with the policy guidelines of the Philippine Cement Industry Authority (PCIA).

The recommendation to expand Northern's production capacity was made following a favorable study conducted by the Development Bank of the Philippines (DBP) and the Philippine Cement Corp. (Philcemcor).

John White, RPCC's chief consultant, rated Northern as the most efficient and well-maintained cement plant locally and in Southeast Asia.

Likewise, the WB special study group approved the financing and modernization program of Northern, saying it is fully qualified.

At present, Northern uses the Klockner Humboldt Deutz equipment

from Germany, with a production capacity of 60,000 bags per day.

Northern's products are exported to the Red Sea, the Arabian Gulf, Chittagong and China.

Narciso M. Pineda, executive vice president and general manager of Northern, said the recommendation to expand the company's production capacity will depend on the policy guidelines of the PCIA.

Pineda disclosed that Northern will shortly convert its fuel system from bunker to coal-fired kilns in line with the policy of the Philippine National Oil Company (PNOC) to conserve fuel.

Northern will be the first cement plant in Luzon that will fully convert into coal-fired kilns. It will use the latest technology on coal conversion, using either the American or German know-how, he added.

Pineda said current production will not be disrupted with the conversion works that will be involved. Installation of the new equipment is expected to be completed within six months.

## LOCAL FIRMS ASKED TO USE SWISS FUNDS

Manila PHILIPPINES DAILY EXPRESS in English 8 Apr 80 p 10

[Text]

**THE PHILIPPINE** National Bank (PNB) said yesterday its "Swiss facility" is not yet fully tapped and that about P350-million in foreign currency-denominated funds are still available for availments by local enterprises.

This amount is the balance of the supplier's credit which the state-owned bank obtained from the Swiss government last year, through the intercession of the finance ministry.

PNB said, proceeds of the loans granted under the facility can only be used to finance the importation of capital goods and services from Switzerland.

So far, three government agencies and a number of domestic corporations involved in manufacturing and export have availed themselves of the facility.

The funding of the credits was provided by the Swiss Bank Corp., Credit Suisse, Union Bank of Switzerland and Swiss Volks Bank.

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**AS ARRANGED**, 85 percent of the invoice value of imported Swiss capital goods, projects and services will be financed by the

Swiss banks and PNB. The balance will be shouldered by the borrower.

The repayment period for each loan under the facility is 10 years when used for the importation of Swiss capital goods and financing of projects and five years when used to cover expenses for Swiss services. The grace period ranges from nine to 15 months.

All loans carry an interest rate of from 1.625 to 1.75 percent above the average issuing rate of the Swiss bank's cash bonds prevailing at the time of the availment.

In addition, the PNB, which assumes the primary risk and liability to the Swiss banks, charges an interest of 1.5 percent per annum over and above the interest charge by the Swiss banks.

Applications for this facility, PNB said, undergo normal evaluation process at the bank's international department. All contracts also require prior approval of the ministry of finance and the Swiss federal division of commerce. (PNA)

## PHILIPPINES

### PLANS FOR COFFEE PROCESSING VENTURE DISCLOSED

Manila PHILIPPINES DAILY EXPRESS in English 8 Apr 80 p 10

[Article by Samuel V. Senoren]

[Text] San Miguel Corp and Nestle of Switzerland will put up a P350-million integrated coffee processing factory in Misamis Oriental to supply the requirements of both domestic and foreign markets.

The coffee venture will be owned 51 percent by Nestle and 49 percent by SMC.

Industry sources said the two companies decided to establish a processing complex because of increasing world demand for coffee products.

The raw material requirements of the proposed coffee factory will be supplied by a plantation which SMC is developing in nearby Bukidnon.

SMC's coffee project in Bukidnon has been approved by the Board of Investments (BOI) as a nonpioneer project with an annual production output of 2,200 metric tons. The plantation will cost SMC slightly more than P47 million. SMC however, hopes to generate P81 million in coffee sales over a five-year period after the initial harvest.

The plantation will also supply the coffee requirements of Filipro Inc., an SMC subsidiary. Filipro owns a food factory in Alabang, Muntinlupa.

According to sources, the SMC-Nestle project in Northern Mindanao will become a major production base for an aggressive export marketing program which SMC is launching starting this year.

Output of the coffee processing plant will also be sold to other ASEAN countries. Sources said SMC and Nestle plan to tap China as a major market for coffee products since prospects there are reported to be very promising.

SMC is starting to set up a string of trading houses overseas to expand its markets. At present, the firm's market base is mostly domestic.



OIL COMPANY ACQUIRES FIRST SUPERTANKER

Manila PHILIPPINES DAILY EXPRESS in English 14 Apr 80 p 16

[Article by Samuel V. Senoren]

[Text] The Philippine National Oil Co (PNOC) has purchased a supertanker of more than 200,000 deadweight tons from the used ship market for a still undisclosed amount sources confirmed yesterday. The new PNOC acquisition--classified as a very large crude carrier--is expected to arrive in Manila sometime this week.

Last week, "Lloyd's List," a London-based shipping newspaper--reported that PNOC was about to buy its first VLCC. The report identified the tanker as the "World Joy," a 260,000 tonner built in 1974. A VLCC of such a size and age could fetch a price in the range of about \$13 million.

Whatever is the original name of the VLCC, PNOC is expected to rename the tanker as the "Andres Bonifacio." The VLCC will become PNOC's sixth tanker.

Its present tanker fleet is composed of the 87,000-DWT "Sultan Kudarat," the 98,717-DWT "Diego Silang," the 124,000-DWT "Sultan Kudarat," the Nido shuttle tanker "Spring Sunbeam" and the LPG bullet tanker "Contract Bridgestone."

PNOC officials had earlier wanted to have a VLCC by February this year in anticipation of new troubles in the Middle East. But PNOC couldn't immediately find a suitable vessel and a tanker which it wanted to buy was priced quite high.

PNOC wants to improve its crude carrying capability to ensure steady oil supply in the event Middle East producers impose further restrictions on oil sales.

Meanwhile, the Oslo-based International Association of Independent Tanker Owners (Intertanko) will hold its annual general assembly meeting in Manila this week.

The meeting will be presided by Y.K. Pao, the Hongkong-based shipping magnate who is reported to own the world's largest tanker fleet.

## PHILIPPINES

### REPORTAGE ON COPPER: LEADING EXPORT, PRICE DROP

#### Top Mineral Export

Manila PHILIPPINES DAILY EXPRESS in English 15 Apr 80 p 16

[Text] Copper would continue to dominate the local mining industry in terms of value added during the next three years ending 1983, Natural Resources Minister Jose Leido Jr. said yesterday.

The metal, together with gold and nickel, would likewise remain the country's top mineral exports during this period, he added.

Under a five-year development plan for the industry, Leido said, the mining industry is projected to post an annual average growth rate of 13.38 percent, thus contributing 2.8 percent to the country's gross domestic product (GDP), a yardstick used in determining national production.

The bulk of this growth would be contributed by copper, gold and nickel.

The nonmetal sector, he said, will also begin to have a larger share in the industry's growth, particularly beginning next year when exploitation and development of nontraditional minerals will have started.

From 1983 to the year 2000, Leido projected that a very substantial progress in the assessment and inventory of mineral resources would have been achieved and the rate of extraction being more carefully planned.

#### Price Fall Noted

Manila PHILIPPINES DAILY EXPRESS in English 25 Apr 80 p 16

[Text] Prices of copper dropped sharply last month due to unfavorable economic conditions existing in the world market, according to the Ministry of Natural Resources (MNR).

The MNR report indicates that copper commanded a price as low as .9172 US cents per pound and .8853 US cents per pound for wirebars and cathodes, respectively.

The report also notes that the quoted prices are the lowest quoted so far. It traces the weak performance of copper during the month to the following:

--Sterling's weaker trend against the US dollar and the limit-down falls in New York.

--Fear of further credit controls in the US plus the anti-inflation measures singled out by President Carter.

--Wage dispute settlement of miners in Peru which is major producer of the mineral.

CSO: 4220

## PHILIPPINES

### MARCOS ORDERS ACCELERATION OF MINDANAO DEVELOPMENT

Manila PHILIPPINES DAILY EXPRESS in English 13 Apr 80 p 1

[Text] President Marcos ordered yesterday the acceleration of all phases of development in Mindanao even as he reported favorable reaction from Muslim Filipinos on the appointment of a ranking official of the Moro National Liberation Front to the autonomous government in Region 12.

In an answer to a questionnaire from newsmen, the President said, "I understand the people are happy and that they are now returning to their farms."

The President appointed last April Amelil Malaquio, alias Commander Ronnie, chairman of the Cotabato Revolutionary Committee of the MNLF, as chairman of the standing committee of the Lupong Tagapagpaganap or executive council.

Commander Ronnie and 32 of his field commanders and officers went to Malacanang last week to assure the President of full cooperation in the development of the region and peaceful solution to the Mindanao problem.

Because of the willingness of Commander Ronnie and his men to cooperate with the government, the President directed government agencies to accelerate all phases of development in the region.

The President ordered the Ministry of Industry to bring more industries into the region. He also ordered the Southern Philippines Development Authority and the Ministry of Human Settlements to look into the systematic return of MNLF members and displaced persons to their homes.

He also ordered the Ministry of Education to allocate scholarships for Muslim Filipinos.

The President told newsmen he has received reports that some MNLF members and displaced Muslim Filipinos are beginning to return to their farms.

"They are asking that we now accelerate development efforts in Cotabato," the President said.

He also said that the Muslim Filipinos, even those who are still in the hills, are observing how the government is treating Commander Ronnie and other MNLF members.

"I am sure," the President said, "they will be happy to know that he has been given a very responsible position."

In appointing Commander Ronnie as chairman of the standing committee of the executive council, the first MNLF official to be given a government position, the President said "it is time we open up our hearts and join hands because no one can help the country except ourselves."

CSO: 4220

## PHILIPPINES

### MEETING ON PAY HIKES SLATED

Manila PHILIPPINES DAILY EXPRESS in English 15 Apr 80 p 1

[Article by Jaime S. Reyes]

[Text] The national conference among labor, management and the government on wage increases will be held on the second week of May.

Labor Minister Blas F. Ople said the Cabinet standing committee feels that the meeting should be held after the expiration on May 7 of the freeze ordered by President Marcos on the prices of seven basic commodities.

The Cabinet committee headed by Finance Minister Cesar Virata is scheduled to meet today and discuss wages, prices and employment.

Ople said prices of basic items may have settled after May 7, enabling the delegates to the tripartite meeting to consider the optimum wage increase.

The meeting was originally set during the last week of April under Presidential Decree No 1678 granting the latest P60 emergency living allowance.

The minister said the labor ministry, National Economic and Development Authority and related government agencies will monitor price trends and conduct studies after the expiration of the price freeze.

The commodities covered by the freeze order are canned fish, canned milk, poultry, eggs, cooking oil, rice and corn.

The labor minister denied reports that the labor sector had signified its intention not to participate in the coming tripartite conference.

He said Democrito T. Mendoza, president of the Trade Union Congress of the Philippines, has assured him of labor participation.

Ople said the agreements made during a tripartite conference are merely a recommendation to be submitted to the President.



Workers in Metro Manila now receive an effective minimum wage (floor pay plus living allowances and 13th month pay) of P26.38 a day, while those outside the area get P25.30.

On the other hand, workers in agricultural plantations get P21.83 and those in nonplantation agriculture earn P16.40.

The wage increase options being studied by the Wage Commission include the integration of living allowance under PD 525 and those in PD 1678 into the worker's basic pay, expansion of the coverage of the 13th month pay under PD 815 by including those earning P1,500 monthly, grant of an additional P30 emergency living allowance, and a 14th month bonus.

CSO: 4220

# FOREIGN EQUITY IN VENTURES KEEPS GROWING

Manila PHILIPPINES DAILY EXPRESS in English 25 Apr 80 p 1

[Article by G.T. Nervez and R.A. Liquicia]

[Text]

**THE PHILIPPINES** attracted foreign capital with direct equity investments of \$1.18 billion from February 1970 to September 1979, Central Bank statistics showed.

**PRESIDENT MARCOS** is scheduled to meet Friday over breakfast with Hawaii business leaders, along with members of the Pacific and Asian Affairs Council and Filipino businessmen in Hawaii. Among the topics to be discussed are trade and investments.

The bulk of the approved foreign equity investments was made by American and Japanese investors, who put in \$604.76 million

and \$228.63 million, respectively.

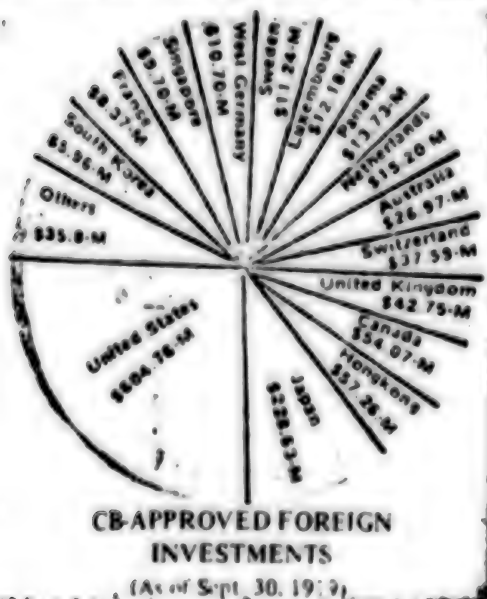
Most of the foreign investments were poured into manufacturing companies, banks and other financial institutions and mining projects, the CB data showed.

**THE INCREASE** in foreign equity investments was traced to improvements in infrastructure, ports, communications, and road network in areas to and from production centers, and the abundance of raw and semi-finished materials.

In addition, the country enjoys plus factors such as competitive labor rates, sophisticated financial system, the high rate of literacy among Filipinos and the liberal laws on the repatriation of capital and profit.

**INVESTMENTS** by both domestic and foreign groups in local companies are guided basically by the 60-percent Filipino and 40-percent foreign equity ownership ratio provided in the Constitution.

Other guidelines on investments, both by local and foreign groups are contained in the four investment priority plans of the government,



namely, the Investment Priorities Plan (IPP), the Export Priorities Plan (EPP), the Public Utilities Priorities Plan (PUPP) and the Third Agriculture Investments Priorities Plan.

The plans spell out the fiscal and other incentives for pioneer and non-pioneer investment areas in industry, exports, public utilities, and agricultural production.

FOREIGN investment up to 100 percent ownership of the capital stock of the enterprises is allowed in the following:

- Pioneer areas listed in the IPP, EPP, PUPP and AIPP.
- Liberalized non-pioneer areas investment areas where the measured capacity is not filled up after three years in the IPP.
- Export-oriented enterprises at least 70 percent of production is for export.
- Areas being promoted in the Export Processing Zone and in industrial estates.

FOREIGN ownership up to 100 percent of these enterprises is allowed provided that within 30 to 40 years, with an extension of another 10 years, at least 60 percent of the voting equity in the enterprise

must be in the hands of Filipinos.

In addition, foreign investments are also governed by the Foreign Business Regulations Act (R.A. 5455). This covers the entry of foreign investments in areas of business activity not listed in either the Investment Priorities Plan or the Export Priorities Plan.

Through this, the Board of Investments (BOI) is able to channel foreign investments away from areas which are already adequately exploited by Filipinos into areas which will contribute to the sound and balanced development of the economy.

Another set of incentives is spelled out in T.A. 5490, which created the Export Processing Zone Authority. Under the Act, fully-owned foreign enterprises are allowed to operate in export processing zones.

Other laws and regulations limit the participation of foreign capital to 30 percent as in banks, and majority voting stock to Filipinos in investment houses.

The retail trade is left entirely to Filipinos (100 percent Filipino equity), under the retail trade nationalization law.

## PHILIPPINES

### \$1 BILLION IN FOREIGN EXCHANGE EARNINGS REMITTED

Manila PHILIPPINES DAILY EXPRESS in English 25 Apr 80 p 8

[Text] Filipino workers abroad remitted last year about \$1 billion in foreign exchange earnings, Labor Minister Blas F. Ople said yesterday.

Speaking at a meeting of the Manila Rotary Club, Ople said the currency earnings of some 1.3 million Filipino workers helped the country with its balance of payment difficulties.

He said the country has some 500,000 migrant workers and 800,000 permanent residents in 197 countries throughout the world.

Ople said the Filipinos have overtaken the South Koreans in Saudi Arabia in terms of the number of workers employed in that oil-rich country.

There are now 100,000 Filipinos working in Saudi Arabia, he added.

Ople said the ideal setup is the export of finished products embodying labor, skill and craftsmanship of Filipino workers to the world market rather than the export of labor per se.

Meanwhile, Ople said a national tripartite conference will be convened May 15-16 to examine the wage issue as a result of the latest increase in the price of oil.

He said the labor ministry is undergoing a restructuring to face the challenge of the 1980's, particularly in the management of crises in industrial peace, employment and workers protection.

During the meeting, the TOWER (Ten Outstanding Workers of the Republic) awardees chosen by the Rotary Club was presented.

A posthumous award was given to Aurora Angeles Ferrer, a Metro Manila aide, who was killed in line of duty.

GOVERNMENT GOES INTO DEFICIT SPENDING

Manila PHILIPPINES DAILY EXPRESS in English 25 Apr 80 p 16

[Text] The government went into deficit spending during the first quarter of this year as expenses exceeded revenues. As a result, it borrowed P1.24 billion from domestic and foreign sources to finance the deficit.

The bureau of the treasury reported that for the first quarter of the year, the national government registered a cash operations deficit of P1.13 billion.

It said that revenues reached P9.9 billion, an increase of P1.35 billion or 15.76 percent over the P8.56 billion earned during the same period in 1979.

Expenditures, however, amounted to P11.04 billion, up by P1.9 billion or 20.85 percent over 1979 expenses which reached P9.14 billion, the bureau said.

Taxes collected by the Bureau of Internal Revenue reached P3.75 billion, while customs revenues amounted to P2.08 billion.

Taxes on net income and profit amounted to P1.14 billion out of which P881.98 million were from individual taxes, P2.79 billion from taxes on goods and services, and P1.2 billion from selective excise on goods. [as printed]

Expenses for the first quarters amounted to P8.78 billion in budgetary disbursements and P2.26 billion in nonbudgetary expenditures.

Capital outlays amounted to P984.96 million.

Borrowings during the period consisted of P925.91 from domestic and P313.75 million from foreign sources, or a total of P1.24 billion.

CSO: 4220

## PHILIPPINES

### FRENCH BARE INVESTMENT PLAN IN PHILIPPINES

Manila PHILIPPINES DAILY EXPRESS in English 26 Apr 80 p 1

[Text] The First Lady Imelda Romualdez Marcos, yesterday told visiting French industrialists that the economic conditions in the country make it ideal for foreign investments.

During a call by a 35-man French economic mission, headed by Francois Giscard d'Estaing, cousin of the French President, the First Lady expressed her appreciation that leading French industrialists are considering investing in the country.

D'Estaing, for his part, said that the delegation's visit will give the group a chance to get first-hand information on investments in the Philippines. The visiting French industrialists own business concerns with a total capitalization of \$37 billion.

Despite the energy crunch, Mrs. Marcos said the Philippines has ample supply of energy and is looking into cheaper alternative sources of power. She cited the geothermal plants in Leyte and Bicol as well as dendro power derived from ipil-ipil trees.

"About a million hectares have been allocated for the cultivation of ipil-ipil trees which are expected to yield about 100 million barrels of methanol and ethanol by-products which can be converted to dendro power," she said.

She said that 25 percent of the oil needs of the country can now be supplied by local resources. "We expect to be self-sufficient in our oil needs in the next few years, she said.

"You can depend on our rich natural resources and adequate manpower," she told the group.

D'Estaing assured the First Lady that they can supply equipment and technology for the government's development programs.



"This is timely," the First Lady said, "since our development thrust is geared towards big-scale industries with the use of high technology."

Aside from all these, she added, the country also boasts of its high literacy rate.

CSO: 4220

## PHILIPPINES

### BALANCE OF PAYMENTS DEFICIT TRIMMED

Manila PHILIPPINES DAILY EXPRESS in English 27 Apr 80 p 16

[Text] The deficit in the country's balance of payments (BOP) from January to March 1980 amounted to \$15 million, lower by \$10 million compared to earlier estimates made by the Central Bank.

The CB said yesterday that the final BOP data for the first quarter this year showed a smaller deficit because of the stronger performance of the export sector and bigger inflow of capital.

The CB said the foreign exchange transactions in March 1980 registered an overall surplus of \$121 million, in contrast to \$106 million in March 1979.

Exports rose by 34 percent to \$414 million as sugar, lumber, plywood, mineral products and non-traditional commodities registered substantially higher revenues.

Meanwhile, payment for imports amounted to \$492 million, 23 percent more than the figure reported for March 1979. The biggest share of the payments went to essential producer goods, the CB said.

As a result, the trade deficit decreased from \$91 million in March 1979 to \$78 million in March this year.

The CB added that the current account registered a deficit of \$81 million, an increase of \$25 million over the figure in March 1979.

The CB said there was a \$36 million net outflow in non-merchandise trade and net inward transfers of \$32 million.

The current account deficit, however, was more than offset by a net capital inflow of \$197 million. Almost 85 percent of the inflow, the CB explained, was in the form of short-term capital availed of mainly to finance oil imports.

Inflows of long-term capital made up the remaining 15 percent, the CB said.

With monetized gold amounting to \$5 million, the overall BOP position for March 1980 was positive at \$121 million. This substantially covered the deficits in January and February 1980.

The overall external position for the first quarter of 1980 was a negative \$15 million, considerably better than the \$205 million deficit in the same period last year, the CB said.

CSO: 4220

## PHILIPPINES

### DECLINE IN COCONUT EXPORTS FORECAST

Manila PHILIPPINES DAILY EXPRESS in English 27 Apr 80 p 16

[Text] Further decline in coconut exports is expected to continue due to forces affecting the international market.

The performance of coconut exports for the first quarter of 1980 showed a decline of 22 percent in volume. Total exports this year reached 307,000 metric tons as against 398,000 metric tons in the first quarter of 1979.

Although the counting accounts for 80 percent of the world's coconut oil supply, the share of the product in the fats and oil market is only six percent.

Soybean oil is putting a lot of pressure on coconut oil because of the huge surplus of soybeans which was bloated by the U.S. grain embargo against Russia.

The American soybean growers are also up in arms because the U.S. Government which bought up contracts on 26 million bushels of soybeans destined for Russia are now being dumped in the market.

Corn oil is also putting pressure on coconut oil. The U.S. enjoys a bumper crop of corn which is considered the best in 25 years.

Also adding pressure to the decline in coconut oil exports is the current high cost of money. U.S. banks charge their prime customers 19 percent a year for loans.

This has consequently discouraged most U.S. manufacturers to buy in large quantities because of the high cost of inventory.

CSO: 4220

## PHILIPPINES

### NEW GENERAL MOTORS VENTURE DISCLOSED

Manila PHILIPPINES DAILY EXPRESS in English 30 Apr 80 p 11

[Article by Rosario A. Liquicia]

[Text] General Motors of the United States will put up an auto parts processing factory in the Philippines to serve its Asian market.

The GM plant will process, pack or repack automotive parts and components for re-export to other Asian countries. The cost and timetable of the project was not disclosed.

According to Trade Minister Luis Villafuerte, the GM projects falls under the ministry's program to promote and develop the Philippines as a transshipment points for products to foreign destinations.

Villafuerte did not give details of the program. He said General Motors is the first company approved under the transshipment program, and three other foreign companies are proposing to put up similar ventures.

Aside from the transshipment program, Villafuerte said the trade ministry is also vigorously pursuing the bonded manufacturing warehouse scheme which has been successful in the case of garments and electronics industries.

The trade ministry has prepared a list of 100 exportable products on which the scheme may be applied.

According to the trade minister, other programs designed to boost exports include:

--Development of an international sub-contracting industry in the Philippines, so the country could exploit its advantages over other countries given the abundance of skilled and semi-skilled manpower, as well as raw materials.

--Expansion and restructuring of Philippine trade houses to make them more market-oriented.

CSO: 4220

## PHILIPPINES

### OVERSEAS EMPLOYMENT FOR FILIPINO WORKERS REACHES NEW LEVELS

Manila PHILIPPINES DAILY EXPRESS in English 1 May 80 p 3

[Text] The employment promotion effort in the Ministry of Labor is a major area of concern institutionalized in the Labor Code as amended.

The program calls for active government intervention in the employment market, local and overseas with a host of measures designed to provide impetus to such intervention.

The effort recognizes that in the main and for the long term, the promotion and development of domestic employment opportunities is the major concern and overseas employment is a subsidiary through increasingly vital component.

#### Local Employment

On the local employment front, the Ministry is called to establish a network of public employment offices (PEO's) to serve as employment brokers, labor market information posts and career/vocational guidance centers. At present, about thirty-four (34) such offices exists all over the country with about eighteen (18) more set up in cooperation with local governments known as municipal PEO's.

In its short period of operation the PEO network performance, despite budgetary constraints, has been quite impressive. For the four-year period, 1976-1979, a total of 172,579 jobseekers were placed in local employment through the network. In addition, during the same period, about 85,000 registered jobseekers and would be entrants to the labor force were counselled on making proper occupational choices and some 4,500 clients were trained in model cooperative, self-help training undertakings done in cooperation with different private and public agencies.

#### Overseas Employment

It is in the overseas employment effort, however, that the Ministry's participation and leading role is more pronounced. With the organization and



systematization of Filipino skills movements, government recognized the social benefits accruing to migration namely, increase employment generation, skills enrichment, foreign exchange generation and enhancement of international prestige. Corollarily, government intervention was also designed to moderate the social disadvantages evident in these mass movements of people such as skills dislocations in vital industries through the unprogrammed deployment of critical skills and the persistent incidence of exploitative recruitment practices. Under this scenario, present policy provides for cooperative and complementary participation of government and the private sector in the promotion, development and implementation of the overseas employment program with government providing the terms of reference (guidelines) for participation including the direction of resources to areas of maximum benefit and need and the private sector mainly involved in implementing/operationalizing government directives. A recent component of this strategy occurred with the promulgation of Policy Instructions 22 and 34 and LOI 852 which called for the development of "corporate exports," making a deliberate shift to promotion of Filipino entrepreneurship and organizational capability rather than mere promotion of individual workers hires.

By and large, the overseas employment effort implemented through the National Seamen Board (NSB), the Oversease Employment Development Board (OEDB) and the Bureau of Employment Services (BES), has been successful. In the four years of the program, 1976-1979, a total of 345,000 workers have been sent to overseas jobs spread in 112 countries of the world. During the same period, foreign exchange remittances reached close to U.S.\$2.0 billion.

CSO: 4220

## PHILIPPINES

### FIRST QUARTER BUSINESS INVESTMENT CLIMBS TO 1 BILLION PESOS

Manila PHILIPPINES DAILY EXPRESS in English 1 May 80 p 9

[Article by Joy de los Reyes]

[Text] Fresh capital infused into new and existing business enterprises amount to P1.29 billion during the first three months of the year.

The new investments rose by P209 million compared to the capital inflow in the same quarter last year.

Data compiled by the Security and Exchange Commission (SEC) show that P426.8 million of the total represent initial capital put into new business enterprises; the bigger balance of P841.3 million are fresh equity infused into existing companies.

Last March, corporate investments hit P426.8 million, an amount lower by P151.1 million than the February level. The March investment was divided into P113.4 million in capitalization of new firms and P313.4 million in re-investments, up by P12.6 million and down by P163.7 million, respectively.

The construction sector received the bulk of March investments (initial capitalization plus re-investments) with P147.2 million. Agriculture, fishery and forestry was second, receiving investments worth P76.7 million, and financing, insurance, real estate and business services sector was third with P73.5 million.

Of the 729 newly-organized business firms, the most heavily capitalized were in the financing, insurance, real estate and business services sector with P35.8 million. Second was the wholesale and retail trade with P24.1 million and third was the mining sector with P16.2 million.

Metro Manila was still the most preferred location for new business ventures where 455 firms with capitalization of P96.4 million were based. Central Luzon attracted 13 new business enterprises with a combined capital outlay of P7 million. Western Visayas had 23 new firms with a capitalization of P1.8 million.

Among the established firms which received substantial capital infusion in March were Construction Development Corp. of the Philippines (CDCP) with P140 million, Cellophil Resources Corp. with P55.3 million, Manila Banking Corp. with P21.7 million, and Surigao Coconut Development Corp. with P.6 million.

Two corporations and seven partnerships were dissolved in March, resulting in the withdrawal of P715,000 which represented their total paid-up capital.

CSO: 4220

## PHILIPPINES

### GOVERNMENT SETS INFLATION RATE BELOW 20 PERCENT

Manila PHILIPPINES DAILY EXPRESS in English 1 May 80 p 9

[Text] The government intends to keep the inflation rate below 20 percent this year, Economic Planning Minister Gerardo P. Sicat said yesterday.

However, Sicat did not disclose the measures taken to curb further increases in the inflation rate.

The economic planning minister also said that the government is conducting a general review of the prices, wages and incomes policy.

The government may allow adjustments in incomes if there is an actual erosion in earnings, Sicat said in a speech before the Philippine Columbian Association.

As part of the review of the price and incomes policy, the government is reevaluating the composition of the "basket of goods and services" that is used as the basis of the consumer price index.

The review of the composition of the basket of goods is needed to determine the exact consumer price index. He noted that consumer prices in Metro Manila do not necessarily reflect the price behavior in the provinces.

In fact, he pointed out, the Metro Manila price index is usually two points higher than the consumer price index for the whole country.

The review of the basket would reflect a more realistic consumption pattern for Metro residents, as well as those in the provinces.

Central Bank statistics showed that consumer prices in Metro Manila rose by 25.9 percent in February 1980 compared to price levels in February 1979.

However, the National Economic and Development Authority (NEDA) later revised the inflation rate data showing a final figure of 24 percent.

As part of the government review of the price policy, Sicat said price movements may have to be monitored on a monthly basis, compared to the present yearly basis:

It is not ideal to use year-to-year price changes in showing wild fluctuations in prices because it fuels an inflationary psychology among consumers and traders that ultimately drives up prices some more, Sicat said.--GTN

CSO: 4220

## PHILLIPINES

### TECHNOLOGY RESOURCE CENTER ALLOTS \$20 MILLION FOR SMALL FIRMS

Manila PHILIPPINES DAILY EXPRESS in English 1 May 80 p 9

[Text] The Technology Resources Center (TRC) has earmarked \$20 million for relending to small- and medium-scale export-oriented enterprises.

TRC will relend the funds through its export industry modernization program (EIMP).

Enterprises that will be given priority to avail themselves of the TRC financial assistance are those engaged in these business: woodworking, garments manufacturing, food processing and metal fabrication.

The minimum amount the TRC is willing to lend to eligible enterprises is P5 million. The loans will carry a uniform interest rate of 8-3/4 percent a year, payable within a period of from five to 15 years depending on requirements of the projects financed.

TRC said, it will process proposed projects being applied for technical and financial assistance, while the funds will be provided by the Development Bank of the Philippines (DBP), caretaker of the EIMP funds.

The funds of EIMP were provided by the Overseas Economic Cooperation Fund of Japan.

The industry modernization program was launched early last year to serve the requirements of small- and medium-scale enterprises.

The TDC said, the program enables local entrepreneurs to secure credits with soft terms and based not so much on collateral but on project viability.

Through the program, TRC also provides the following: management services for project development, technical services for identifying and evaluating appropriate technology alternative, market information and linkages to potential export markets, and identification, development, and promotion of common service facilities.

CSO: 4220



## PHILIPPINES

### UNFAIR LABOR ACTS MADE CRIMINAL; NONPROFIT FIRMS MAY UNIONIZE

Manila PHILIPPINES DAILY EXPRESS in English 2 May 80 p 1

[Text] President Marcos signed yesterday into law Parliamentary Bill No 386 making unfair labor practice a criminal offense and allowing workers in non-profit institutions to form unions.

The President signed the bill before a crowd of 10,000 which attended the "Araw ng Manggagawa" program at the Philippine International Convention Center.

As a "pasalubong" (gift) to labor, the President issued a series of directives, including an executive order which reorganized the Ministry of Labor, designed to uplift the welfare of the 16 million workers in the country.

Besides Parliamentary Bill No 386, the President also signed:

--A decree making illegal recruitment an act of economic sabotage to serve as an effective deterrent to illegal recruiters who have proliferated and victimized thousands of applicants for overseas employment.

--A letter of instructions providing relief to workers in the sugar industry by increasing the daily salaries of mill workers from P13 to P 14 and those of plantation workers from P10 to P11.50.

--A decree increasing the disability and death benefits under the Workmen's Compensation Act from P4,200 to a minimum of P12,000.

--A decree providing for the organization and administration of the welfare fund for overseas workers.

--A decree further amending certain provisions of the Labor Code which strengthens the structural-functional setup for the administration of employment services, both here and abroad, and integrates all adjudicatory functions in the arbitration network of the Ministry of Labor and Employment, except in certain cases.

--A letter of instructions authorizing the Employees' Compensation Commission to conduct studies towards upgrading pension benefits.

Parliamentary Bill No 386, which amends the Labor Code, considers union busting and dismissal of workers without a cause as unfair labor practices.

Before the signing of the new labor act, unfair labor practices were considered only administrative offenses.

Violations of the provisions of the new law are penalized by a fine of not less than P1,000 but not more than P10,000 or imprisonment of not less than three months but not more than three years or both at the discretion of the court.

The package of benefits granted by the President to workers to uplift their welfare is in response to the demands of labor contained in a manifesto read by Andres Dinglasan, secretary general of the Trade Union Congress of the Philippines.

In her brief remarks, the First Lady, Imelda R. Marcos, called on labor organizations to unite for the good of the country.

"Since this is a day of love, let us spread love among ourselves," she said.

The celebrations yesterday had doubled meaning to the First Couple. It was also their 26th wedding anniversary.

Labor sought the return to workers the right to strike "to show to the world that normalcy had returned to the country."

The President, however, said that he had an agreement with labor that action should first be given to Parliamentary Bill No 386 making unfair labor practice a criminal offense.

At present, workers in non-vital industries are allowed to strike.

In making illegal recruitment a crime of economic sabotage, the President said that illegal recruiters have proliferated in the wake of employment bounty abroad.

"This pernicious and oftentimes syndicated trade in human beings, which at once saps the economy and undermines national security, partakes a new form of economic sabotage and should, therefore, be considered and penalized as such," the President said.

Recruiting activities deemed illegal and punishable under existing laws are:

--Those undertaken in any form or manner by non-licensees or non-holders of authority.

--Taking money, goods and/or services in consideration of employment in an amount exceeding that authorized by law or appropriate regulations.

--Participation in the recruitment, placement or deployment of any worker under false pretenses or false documentation.

Under the new organizational structure of the Ministry of Labor, the ministry will henceforth be called the Ministry of Labor and Employment in view of the vital participation of the ministry in employment policy and services.

Offices abolished under the labor ministry's reorganization are the arbitration branches, field services divisions and labor relations divisions in the regional offices of the ministry.

Also abolished are all organizational units in the Bureau of Employment Services, Overseas Employment and Development Board and National Seamen Board performing licensing, regulatory and placement as well as adjudicatory functions.

Under the executive order, the labor minister is authorized to form new units to replace the abolished offices and create new positions.

The order also provides that all labor attaches who have reached 60 and have rendered a minimum of 15 years of service are considered retired after three months with full benefits under the law.

CSO: 4220

## PHILIPPINES

### FINANCIAL ASSISTANCE FOR SMALL AND MEDIUM SIZE ENTERPRISES

Manila PHILIPPINES DAILY EXPRESS in English 2 May 80 p 9

[Text] The International Finance Corp (IFC), a World Bank affiliate, has invested \$277,400 (roughly P2 million) in the equity of a local financial institution assisting small and medium size enterprises.

The financial institution is the Ventures in Industry and Business Enterprises, Inc. (VIBES). The company is increasing its capital from \$680,000 (about P5 million) at present to \$1.15 million (P8.5 million) in 1980, and to \$1.36 million (P10 million) in 1981.

The objective of VIBES is to provide equity and quasi-equity financing and business advisory services to smaller enterprises.

Smaller companies are usually hampered by inadequate capital and insufficient business experience, it was pointed out.

VIBES offers several forms of assistance to small- and medium-scale enterprises: directly equity and equity-type investments; working capital on a profit-sharing basis; arranging for additional finance from institutional sources; financial, administrative and organizational and advisory services; and bulk raw material procurement programs.

The company export-oriented activities, are labor intensive and use indigenous raw materials.

VIBES was organized by the Philippine Commercial and Industrial Bank, the Lank Bank of the Phils., First Philippine Holdings Corp. and the Development Academy of the Phils.

CSO: 4220

## PHILIPPINES

### BATAAN FIRMS' EXPORTS RISE TO \$113 MILLION DOLLARS

Manila PHILIPPINES DAILY EXPRESS in English 2 May 80 p 9

[Text] Companies operating inside the Bataan Export Processing Zone in Mariveles, Bataan, exported \$113.47 million of processed products last year, up by 49 percent over their \$76.43-million earnings in 1978.

The increase was, however, lower than the 70-percent growth attained in 1977 because of the softening of markets world-wide particularly for garments.

The growth of exports last year contributed \$41 million or 78 percent more than the \$23 million earnings in 1978.

The increase in net earnings was traced to the expansion in operations of existing firms in the country's first industrial zone.

For instance, Ford Philippines' stamping plant continues to be at the forefront of the exporters with a year-end total exports of \$23.8 million, the zone authority said.

Ricoh Watch began manufacturing and exporting new products including watch cases and electronics watch parts.

This year, Ricoh will manufacture complete watches with an average export earnings target of \$3 million a month.

The electronics companies led by Soltron Electronics (Phil.), Inc., which manufactures flash guns for Agfa cameras, also made a very strong showing last year when its exported over \$12-million worth of products.

The zone authority said, total production of 62 firms in BEPZ reached \$116.9 million, \$3.3 million of which were sold locally. From this local sales, the government collected duties and taxes of \$5.9 million. (PNA)

CSO: 4220

## PHILIPPINES

### 'SOFT' PRICES REDUCE COCONUT INDUSTRY INCOME

Manila PHILIPPINES DAILY EXPRESS in English 2 May 80 p 10

[Text] Large coconut plantations are just about breaking even in their operations at existing world prices for coconut products and may eventually incur losses if prices further decline, according to Jose Eleazar, executive director of the Philippine Coconut Producers Federation (Cocofed).

Eleazar said that although coconut farming is generally viable, large plantations are encountering difficulties because of higher production inputs such as increased salaries and wages and high fuel and fertilizer costs.

The industry depends mainly on coconut oil exports but their prices have not been very encouraging lately. At present, coconut oil can fetch only a price of about 35 U.S. cents per pound and there are indications that it may decline further.

A recent market study of coconut oil in the United States which is the country's major export market for the product revealed the following:

--At the prevailing prices, an extensive effort is underway in the U.S. to find substitutes for coconut oil. Substitution in the edible market has already advanced to the point where 1979 consumption is 25 percent below 1978 volume.

--Price swings and unpredictability are seen by many segments of the market as a problem second only to current high prices. This price uncertainty complicates production and product planning, and tends to drive users to use raw materials whose prices are more predictable.

--Coconut oil is not a vital, irreplaceable raw material to the U.S. industry, and could be almost completely replaced within a few years.

ISO: 4220

## PHILIPPINES

### STA. CLARA LUMBER SALES UP BY 30 PERCENT

Manila PHILIPPINES DAILY EXPRESS in English 2 May 80 p 12

[Text] Sta. Clara Lumber Co. generated revenues of P146.7 million last year, up by 30 percent over 1978 sales of P112 million. Renato Arevalo, Sta. Clara president, said most of the revenues were accounted for by export sales in the European market.

He said Great Britain was a major buyer of Sta. Clara products consisting mostly of exterior type and marine plywood.

Arevalo also said that Sta. Clara, as of last year, was the biggest single plywood exporter of tropical plywood to Britain.

Among the first Filipino companies which have made a major shift from Philippine industry dependence on the U.S. market, the firm's record sales were made in keeping with the government policy of veering away from the export of raw logs mainly to Japan, which contributed a total of P19 million or only 13 percent of aggregate sales during the past year.

Sales to Britain amounted to P70 million while exports to U.S. Hong Kong, and other countries amounted to P16 million. Sales in the domestic market for the year reached P40,973,200.00 or 28 percent of total sales for the period.

These sales were accomplished without taking full advantage of the expansion of plywood mill facilities in Mindanao, which expansion was financed partly with a loan from the Development Bank of the Philippines and completed in February this year, bringing the firm's registered aggregate annual producing capacity from 7.2 million to 8.1 million panels, for its three plywood mills located at Davao, Port Lebak, Sultan Kudarat, and Sultan, Naga, Zamboanga del Sur.

An expanded capacity of Sta. Clara's lumber mill and the newly installed woodworking plant in Davao, are also due for accelerated operation this month.

CSO: 4220



## PHILIPPINES

### BRIEFS

**HANDICRAFT EXPORT EARNINGS**--The country exported P2.9 billion worth of handicraft products in 1979, 25 percent more than last year's P2.2 billion, the National Cottage Industries Development Authority (NACIDA) announced yesterday. However, despite the 25 percent increase in handicraft exports, cottage industry products declined from the No 2 position next to coconut oil in terms of dollar earnings in 1978. Copper concentrates which only placed third in 1978 dislodged cottage products in 1979. Of the total export earnings derived from cottage products, finished products shared 47 percent while semiprocessed products contributed three percent. Insurance continued to be the top dollar earner among the cottage industry products, amounting for 23 percent of the total earnings. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 3 Apr 80 p 9]

**REMITTANCE TAX**--Philippine subsidiaries or branches of foreign multinationals remitting profits to their mother companies are subject to the payment of 15 percent remittance tax, according to the bureau of internal revenue (BIR). The BIR, in a recent tax ruling, said the 15 percent remittance tax is imposed under title 11 of the national internal revenue tax code. Acting revenue Commissioner Efren L. Plana said dividends remitted abroad were formerly subject to 20 percent. However, this was reduced to 15 percent under Presidential Decree No 1158-A. The reduction, Plana said, was to set remittances at par with that on the taxation of profits remitted by Philippine subsidiaries to multinationals. The 15 percent tax on dividends and profits repatriated abroad by Philippine subsidiaries is also contained in various tax treaties concluded by the Philippines with foreign countries, the BIR added. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 8 Apr 80 p 10]

**RECONNAISSANCE PLANES FOR AIR FORCE**--Manila, 29 Apr--The Philippine Air Force has acquired 22 Islander reconnaissance aircraft from the Philippine Aero-Naval Development Corporation (PADC), a Government report said Tuesday. The twin-engine airplanes together with several Volvo-105 helicopters locally assembled by the PADC will be blessed Friday at an Air Force celebration of its 45th anniversary.--NAB/UPI [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 1 May 80 p 5]

WEST GERMAN TELEFUNKEN EXPANSION--The Board of Investments (BOI) has approved the P31.8 million expansion plan of Telefunken Semiconductors Phils. Inc., a subsidiary of AEG Telefunken of West Germany. The local firm is a registered exporter of semiconductors, integrated circuits, light-emitting diodes and digit displays. According to the BOI, approved capacity for expansion is 250 million units a year of semiconductors and similar products. Existing capacity is 153.3 million units a year. The expansion project is estimated to earn net foreign exchange of \$5.95 million over a three-year period, and is expected to generate employment for some 690 workers, the BOI said. The local firm, the BOI added, has concluded a sales agreement with its parent company, stipulating among other things, that AEG of Germany is to buy this year over 250 million units of semiconductors and similar products. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 29 Apr 80 p 20]

CSO: 4220

## VICE MINISTER REPORTS ON INDUSTRIAL GROWTH

OWOR0259 Taipei CNA in English 0245 GMT 8 May 80

[Text] Taipei, 8 May (CNA)--The economic situation in the Republic of China has been fairly good so far this year, despite wide-spread predictions that the world will suffer from economic recession this year, Vice Economics Minister William Wei said Wednesday.

He said the situation of industrial production, foreign trade, and investment of local, foreign, and overseas Chinese investors in the Republic of China has been rather good so far this year.

Wei pointed out that the growth rate of industrial production reached 13.2 percent in the first quarter of this year, slightly higher than the same period of last year.

He said almost all major industries have maintained over 80 percent of their total production capacity during the first four months of this year.

The following is the production rate of major industries as compared with their full production capacities for the second half of April:

Electronics Industry: 95 percent

Machinery Industry: 90 percent

Steel Industry: 75 percent

Plywood Manufacturing Industry: 80 percent

Plastic Shoes Manufacturing Industry: 75 percent

Paper Industry: 80 percent

Garment Industry: 75 percent

Decoration Lamp Industry: 72 percent

Wei warned that the Republic of China's export trade, investment, an industrial production might be affected by the decline in demand from the world markets in the coming months. He predicted that next year's world economic situation may be worse than this year.

CHANGES IN TRANSPORTATION FARES ANNOUNCED

OW020305 Taipei CNA in English 0234 GMT 2 May 80

[Excerpt] Taipei, 2 May (CNA)--The Ministry of Communications Thursday announced an overall adjustment of prices of railway, highway, and domestic air transportation, effective 3 May.

Vice-communications Minister Chen Shu-Hai reported at a press conference in the afternoon that prices of railway passenger transportation will increase by an average 29 percent, railway cargo transportation 54 percent, highway passenger transportation 31 percent, highway cargo transportation 32 percent, domestic air passenger transportation 34 percent, passenger and cargo transportation for sub air routes 20 percent.

Railway has the highest price increase rate since the railway has not adjusted prices for over 6 years and the Taiwan Railway Administration has been suffering serious deficits.

It is expected that with the price increase the railway administration in fiscal 1981 will have NT \$2.1 billion more business revenue. According to the railway administration's original budget planning for fiscal 1981, the railway will have a deficit of NT \$5 billion in fiscal 1981. In spite of the NT \$2.1 billion more business revenue, the railway will still be in the red.

The railway administration in fiscal 1979 had a deficit of NT \$860 billion. It is estimated that in fiscal 1980 the deficit will reach NT \$3.7 billion.

CSO: 4220

## BRIEFS

MARCH TRADE DEFICIT--Taipei, April 24 (CNA)--Premier Sun Yun-suan Thursday instructed government units concerned to take effective measures immediately to curb imports and boost exports as a means to ensure the steady economic growth of the Republic of China. At an Executive Yuan meeting, Sun said that for the first month in more than three years this country suffered from an unfavorable trade balance in March, adding that the trade deficit must be corrected in due course. Sun made these remarks after hearing a report by Yu Kuo-hua, chairman of the Council for Economic Planning and Development. Quoting customs statistics, Yu said that the Republic of China had a trade deficit of U.S. dollars 230 million in March, mainly because of increasing payments for imported oil and decreasing exports to Japan. The Republic of China's two-way trade totaled U.S. dollars 301 million in March. [Text] [OW241405 Taipei CNA in English 1338 GMT 24 Apr 80]

CRUDE OIL IMPORT DUTY--Taipei, April 26 (CNA)--The Executive Yuan has decided to lower custom duty rate on crude oil from 2.5 percent to 1.25 percent so as to ease the burden of the Chinese Petroleum Corp. It is expected that the cut of duty rate on imported oil will help CPC save at least NT dollars 2 billion. However, the Executive Yuan has not considered adjusting the rate of commodity tax on oil products. [Text] [OW260420 Taipei CNA in English 0319 GMT 26 Apr 80]

TRADE OFFICES IN COLOMBIA--Taipei, April 28 (CNA)--The government had decided to set up a trade office in Bogota, and a branch office in Barranquilla to handle cultural and trade relations between the Republic of China and Colombia after the severance of diplomatic relations between the two countries, Samson C. Shen, former Chinese ambassador to Colombia, said Monday. Reporting at the Legislative Yuan on the establishment of diplomatic relations between Peiping and Bogota, Shen analyzed the international situation and internal politics of Colombia. He said the government of Colombia was affected by international pressure and a national election in March. Shen emphasized, however, that the government and people of Colombia are willing to maintain close cultural and trade relations with the Republic of China. [Text] [OW281431 Taipei CNA in English 1343 GMT 28 Apr 80]

RICE OUTPUT--Taipei, May 3--The Republic of China is expected to produce some 2.3 million metric tons of rice this year, an official said yesterday. He said the government has intended to cut down rice production to avoid overproduction. Rice producing totaled 2.5 million tons annually in the past. Because of the improved standards of living, people in this country are consuming less rice but more meat, fruits and dairy products, he said. He said the first rice crop this year will reach 1.229 million metric tons. Farmers in southern Taiwan will begin to reap rice soon, he said. The official also said the government is encouraging farmers to plant more economic crops so that they can have more profit from farming operations. [Text] [OW031709 Taipei CNA in English 1346 GMT 3 May 80 OW]

CSO: 4220

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**DATE FILMED**

12 June 1980

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